

FINANCIAL REPORT
AUDITED

TOWN OF EAST FISHKILL, NEW YORK
For the Year Ended December 31, 2022

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

TOWN OF EAST FISHKILL, NEW YORK

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page</u>
Independent Auditor's Report	1 – 3
Management's Discussion and Analysis	4 – 7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position – Proprietary Fund	14
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	15
Statement of Cash Flows – Proprietary Fund	16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Basic Financial Statements	19 – 40

	<u>Page</u>
Required Supplementary Information	
Schedule of Changes in the Town’s Net OPEB Liability and Related Ratios	41
Schedule of Proportionate Share of Net Pension Liability and Related Ratios	42
Schedule of Employer Contributions	43
Schedule of Revenues and Expenditures Compared to Budget – General Fund	44
Schedule of Revenues and Expenditures Compared to Budget – Highway Fund	45
Schedule of Revenues and Expenditures Compared to Budget – Water Fund	46
Schedule of Revenues and Expenditures Compared to Budget – Sewer Fund	47
Other Information	
Combining Balance Sheets – Non-major Governmental Funds	48
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	49
Schedule of Indebtedness	50
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>	51 – 52
Schedule of Findings	53



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, 2022, 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, 2022 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* ("*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, proportionate share of the net pension liability and related ratios, and employer contributions on pages 4 through 7 and 41 through 47 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 November 4, 2024 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
November 4, 2024

**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>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Current and Other Assets	\$ 20,051,409	\$ 17,882,634	\$ 2,168,775	12.13%
Capital Assets	32,843,496	28,152,653	4,690,843	16.66%
Total Assets	52,894,905	46,035,287	6,859,618	14.90%
Deferred Outflows of Resources	16,791,360	20,303,137	(3,511,777)	-17.30%
Other Liabilities	7,282,566	5,921,595	1,360,971	22.98%
Long-Term Liabilities	67,817,806	85,725,005	(17,907,199)	-20.89%
Total Liabilities	75,100,372	91,646,600	(16,546,228)	-18.05%
Deferred Inflows of Resources	32,072,590	19,756,333	12,316,257	62.34%
Net Position:				
Net Investment in Capital Assets	8,930,259	3,622,942	5,307,317	146.49%
Unrestricted	(46,416,956)	(48,687,451)	2,270,495	4.66%
Total Net Position	\$ (37,486,697)	\$ (45,064,509)	\$ 7,577,812	16.82%

Current and Other Assets increased by \$2,168,775 mainly due to ERS Pension having an asset balance in 2022 compared to a liability balance in 2021 as well as increase in state aid receivable and prepaids compared to 2021.

Capital Assets increased by \$4,690,843 mainly due to ongoing highway capital project representing \$3,190,105 of the total change and ongoing water project representing \$469,880 of that change.

Deferred Outflows of Resources decreased by \$3,511,777 mainly due to a change in the assumptions for OPEB.

Long-Term Liabilities decreased by \$17,907,199 mainly due to a decrease in OPEB liabilities of \$15,887,204 and ERS Pension being an asset balance instead of liability in 2022.

Deferred Inflows of Resources increased by \$12,316,257 mainly due to mainly due to a change in the assumptions for OPEB.

The negative unrestricted net position balance of (\$46,416,956) 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**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

TOWN OF EAST FISHKILL'S CHANGES IN NET POSITION

	2022	%	2021	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,070,191	22.00%	\$ 7,369,322	22.55%	\$ (299,131)	-4.06%
Operating and Capital Grants	1,651,289	5.14%	1,279,375	3.92%	371,914	29.07%
General Revenues:						
Real Property Taxes	14,249,075	44.33%	14,002,244	42.85%	246,831	1.76%
Real Property Taxes-Water Utilities	414,478	1.29%	497,221	1.52%	(82,743)	-16.64%
Real Property Taxes-Sewer Utilities	1,082,031	3.37%	983,394	3.01%	98,637	10.03%
Real Property Tax Items	101,977	0.32%	92,848	0.28%	9,129	9.83%
Non Property Taxes	482,689	1.50%	494,781	1.51%	(12,092)	-2.44%
Tax Revenue Sharing	4,294,584	13.36%	5,133,421	15.71%	(838,837)	-16.34%
Departmental Income	-	0.00%	1,300,000	3.98%	(1,300,000)	-100.00%
Use of Money and Property	273,384	0.85%	175,239	0.54%	98,145	56.01%
Intergovernmental Charges	1,379,503	4.29%	572,583	1.75%	806,920	140.93%
Sale of Property and Compensation for Loss	120,111	0.37%	156,188	0.48%	(36,077)	-23.10%
Miscellaneous	1,021,179	3.18%	619,468	1.90%	401,711	64.85%
Total Revenues	32,140,491	100.00%	32,676,084	100.00%	(535,593)	-1.64%
Expenses:						
General Government	3,726,452	15.17%	4,143,590	15.07%	(417,138)	-10.07%
Public Safety	7,023,985	28.60%	8,768,115	31.89%	(1,744,130)	-19.89%
Public Health	2,939	0.01%	3,578	0.01%	(639)	100.00%
Transportation	7,300,439	29.71%	6,225,826	22.64%	1,074,613	17.26%
Economic Assistance and Opportunity	165,846	0.68%	100,802	0.37%	65,044	64.53%
Culture and Recreation	1,787,094	7.28%	2,155,906	7.84%	(368,812)	-17.11%
Home and Community Services	3,937,046	16.03%	5,318,171	19.34%	(1,381,125)	-25.97%
Interest on Debt	618,878	2.52%	780,677	2.84%	(161,799)	-20.73%
Total Expenses	24,562,679	100.00%	27,496,665	100.00%	(2,933,986)	-10.67%
Increase/(Decrease) in Net Position	\$ 7,577,812		\$ 5,179,419			

Revenues:

- Changes for Services decreased by \$299,131 mainly due to a decrease in building permits.
- Taxes Revenue Sharing decreased by \$838,837 due to a decrease in county aid for mortgage tax.
- Departmental Income decreased by \$1,300,000 due to the collection of the final Environmental Protection Agency connection fee being collected during the year.
- Intergovernmental Charges increased by \$806,920 primarily due to the receipt of \$900,000 from the Environmental Protection Agency for paving.

Expenses:

- General Government decreased by \$417,138 mainly due to changes in the actuarial calculations for OPEB.
- Public Safety decreased by \$1,744,130 due to decrease in overtime and capital expenses for the police department.
- Transportation increased by \$1,074,613 due to increase in capital expenses for the highway department.
- Home and Community Service decreased by \$1,381,125 mainly due to changes in the actuarial calculations for OPEB.
- Interest on Debt decreased by \$161,799 mainly due to paying off long term items.

Governmental Funds:

General Fund -

The majority of activity for the Town is located in the General Fund. Fund Equity for this fund increased by \$2,548,058 in 2022. Overall expenditures increased by 5.79% and revenues decreased by 5.49% as compared to 2021.

**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 \$6.9 million on General Fund payroll, \$1.2 million on related retirement systems, \$2.5 million on health insurance, approximately \$511 thousand on payroll taxes and \$133 thousand on workers' compensation insurance. The majority of these expenditures are stipulated by union contracts. These figures are generally the same as in 2021.

Highway Fund -

The Highway Fund ended 2022 with a fund balance of \$601,169 a decrease of \$10,668 from 2021.

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 decreased about \$77 thousand to approximately \$2.2 million in 2022.

Snow removal expenditures increased about \$90,000 in 2022 due to more active winter weather than the previous year.

Water Fund -

The Town operated ten water districts during 2022 which had an operating loss of \$293,722. 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 2022 were \$23,894,000. 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 \$44,689,258.

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 2022, 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.

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

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 2023 by a combined \$1,600,000 creating a significant operating surplus.

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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,910,878	\$ 937,079	\$ 12,847,957
Accounts Receivable	1,593,311	-	1,593,311
Due from State and Federal Government	182,598	-	182,598
Due from Other Governments	3,197,530	-	3,197,530
Prepaid Expenses	360,864	-	360,864
Inventories	102,760	-	102,760
Water Transmission Rights	524,217	-	524,217
	<u>17,872,158</u>	<u>937,079</u>	<u>18,809,237</u>
Capital Assets, not being depreciated	7,801,163	-	7,801,163
Capital Assets, being depreciated - net	21,666,535	3,375,798	25,042,333
Total Capital Assets, net (Note V)	<u>29,467,698</u>	<u>3,375,798</u>	<u>32,843,496</u>
ERS Net Pension Asset - Proportionate Share (Note VI)	1,242,172	-	1,242,172
Total Assets	<u>48,582,028</u>	<u>4,312,877</u>	<u>52,894,905</u>
Deferred Outflows of Resources (Notes VI and VII)	<u>16,791,360</u>	<u>-</u>	<u>16,791,360</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>65,373,388</u>	<u>4,312,877</u>	<u>69,686,265</u>
LIABILITIES			
Accounts Payable	1,955,762	8,536	1,964,298
Accrued Expenditures	4,083,609	11,722	4,095,331
Noncurrent Liabilities:			
Due and Payable Within One Year:			
Bonds Payable (Note VIII)	1,108,332	66,668	1,175,000
Installment Purchase Obligations (Note VII)	19,237	-	19,237
Landfill Remediation Liability (Note VIII)	28,700	-	28,700
Due and Payable More Than One Year:			
Bonds Payable (Note VIII)	21,006,009	1,712,991	22,719,000
Landfill Remediation Liability (Note VIII)	1,779,637	-	1,779,637
Compensated Absences (Note VIII)	591,060	-	591,060
PFRS Net Pension Liability-Proportionate Share (Note VI)	438,248	-	438,248
Other Postemployment Benefits (Note VII)	42,289,861	-	42,289,861
Total Liabilities	<u>73,300,455</u>	<u>1,799,917</u>	<u>75,100,372</u>
Deferred Inflows of Resources (Notes VI and VII)	<u>32,072,590</u>	<u>-</u>	<u>32,072,590</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>105,373,045</u>	<u>1,799,917</u>	<u>107,172,962</u>
NET POSITION			
Net Investment in Capital Assets	7,334,120	1,596,139	8,930,259
Unrestricted	(47,333,777)	916,821	(46,416,956)
Total Net Position	<u>\$ (39,999,657)</u>	<u>\$ 2,512,960</u>	<u>\$ (37,486,697)</u>

See accompanying notes to basic financial statements.

TOWN OF EAST FISHKILL, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ (3,726,452)	\$ 60,792	\$ -	\$ -	\$ (3,665,660)	\$ -	\$ (3,665,660)
Public Safety	(7,023,985)	927,449	21,531	-	(6,075,005)	-	(6,075,005)
Public Health	(2,939)	-	-	-	(2,939)	-	(2,939)
Transportation	(7,300,439)	-	911,782	642,334	(5,746,323)	-	(5,746,323)
Economic Assistance and Opportunity	(165,846)	-	-	-	(165,846)	-	(165,846)
Culture and Recreation	(1,787,094)	500,300	-	-	(1,286,794)	-	(1,286,794)
Home and Community Services	(3,803,163)	5,048,392	75,642	-	1,320,871	-	1,320,871
Interest on Debt	(557,645)	-	-	-	(557,645)	-	(557,645)
Total Governmental Activities	\$ (24,367,563)	\$ 6,536,933	\$ 1,008,955	\$ 642,334	(16,179,341)	-	(16,179,341)
Business-Type Activities:							
Home and Community Services	\$ (133,883)	\$ 533,258	\$ -	\$ -	-	399,375	399,375
Interest on Debt	(61,233)	-	-	-	-	(61,233)	(61,233)
Total Business Type Activities	\$ (195,116)	\$ 533,258	\$ -	\$ -	-	338,142	338,142
General Revenues:							
Real Property Taxes					14,249,075	-	14,249,075
Real Property Taxes-Water Utilities					414,478	-	414,478
Real Property Taxes-Sewer Utilities					1,082,031	-	1,082,031
Real Property Tax Items					101,977	-	101,977
Non Property Taxes					482,689	-	482,689
Tax Revenue Sharing					4,294,584	-	4,294,584
Use of Money and Property					268,932	-	268,932
Intergovernmental Charges					1,379,503	-	1,379,503
Sale of Property and Compensation for Loss					120,111	-	120,111
Miscellaneous					1,021,179	-	1,021,179
Total General Revenues					23,414,559	-	23,414,559
Business Activities:							
Use of Money and Property					-	4,452	4,452
Total Business Activities					-	4,452	4,452
Change in Net Position							
Net Position - Beginning					7,235,218	342,594	7,577,812
Net Position - Ending					(47,234,875)	2,170,366	(45,064,509)
					\$ (39,999,657)	\$ 2,512,960	\$ (37,486,697)

See accompanying notes to basic financial statements.

TOWN OF EAST FISHKILL, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 8,916,717	\$ 818,670	\$ 94,469	\$ 1,110,791	\$ 496,126	\$ 474,105	\$ 11,910,878
Receivables	364,266	19,477	624,795	584,773	-	-	1,593,311
Due From State and Federal Government	182,598	-	-	-	-	-	182,598
Due from Other Funds (Note IV)	3,998,023	-	-	-	-	-	3,998,023
Due From Other Governments	2,349,093	-	514,336	277,399	-	56,702	3,197,530
Prepaid Expenses	313,041	47,823	-	-	-	-	360,864
Total Assets	\$ 16,123,738	\$ 885,970	\$ 1,233,600	\$ 1,972,963	\$ 496,126	\$ 530,807	\$ 21,243,204
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 798,789	\$ 249,650	\$ 229,595	\$ 59,865	\$ 550,518	\$ 67,345	\$ 1,955,762
Accrued Expenditures	3,845,739	35,151	(1,007)	-	-	-	3,879,883
Due to Other Funds (Note IV)	-	-	716,158	-	3,280,323	1,542	3,998,023
Total Liabilities	4,644,528	284,801	944,746	59,865	3,830,841	68,887	9,833,668
Fund Balances:							
Nonspendable	313,041	47,823	-	-	-	-	360,864
Fund Balance - Assigned							
Assigned for Subsequent Year's Budget	-	-	100,000	475,000	-	-	575,000
Assigned for Fund Purposes	-	553,346	188,854	1,438,098	-	490,551	2,670,849
Fund Balance - Unassigned	11,166,169	-	-	-	(3,334,715)	(28,631)	7,802,823
Total Fund Balances	11,479,210	601,169	288,854	1,913,098	(3,334,715)	461,920	11,409,536
Total Liabilities and Fund Balances	\$ 16,123,738	\$ 885,970	\$ 1,233,600	\$ 1,972,963	\$ 496,126	\$ 530,807	\$ 21,243,204

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, 2022

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 11,910,878	\$ -	\$ -	\$ 11,910,878
Receivables	1,593,311	-	-	1,593,311
Due from State and Federal Government	182,598	-	-	182,598
Due from Other Funds	3,998,023	-	(3,998,023)	-
Due from Other Governments	3,197,530	-	-	3,197,530
Prepaid Expenses	360,864	-	-	360,864
Inventories	-	102,760	-	102,760
Water Transmission Rights	-	524,217	-	524,217
Capital Assets, Net	-	29,467,698	-	29,467,698
ERS Net Pension Asset - Proportionate Share	-	1,242,172	-	1,242,172
Deferred Outflows of Resources - Pension	-	6,397,154	-	6,397,154
Deferred Outflows of Resources - OPEB	-	10,394,206	-	10,394,206
Total Assets and Deferred Outflows	<u>\$ 21,243,204</u>	<u>\$ 48,128,207</u>	<u>\$ (3,998,023)</u>	<u>\$ 65,373,388</u>
LIABILITIES				
Accounts Payable	\$ 1,955,762	\$ -	\$ -	\$ 1,955,762
Accrued Expenditures	3,879,883	203,726	-	4,083,609
Bond, and Installment Obligations	-	22,133,578	-	22,133,578
Due to Other Funds	3,998,023	-	(3,998,023)	-
Landfill Remediation Liability	-	1,808,337	-	1,808,337
Compensated Absences	-	591,060	-	591,060
PFRS Net Pension Liability-Proportionate Share	-	438,248	-	438,248
Other Postemployment Benefits	-	42,289,861	-	42,289,861
Deferred Inflows of Resources - Pension	-	8,287,441	-	8,287,441
Deferred Inflows of Resources - OPEB	-	23,785,149	-	23,785,149
Total Liabilities and Deferred Inflows	<u>9,833,668</u>	<u>99,537,400</u>	<u>(3,998,023)</u>	<u>105,373,045</u>
Total Fund Balances	<u>11,409,536</u>	<u>(51,409,193)</u>	<u>-</u>	<u>(39,999,657)</u>
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	<u>\$ 21,243,204</u>	<u>\$ 48,128,207</u>	<u>\$ (3,998,023)</u>	<u>\$ 65,373,388</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, 2022

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues:							
Real Property Taxes	\$ 7,680,029	\$ 6,418,337	\$ 414,478	\$ 1,082,031	\$ -	\$ 150,710	\$ 15,745,585
Real Property Tax Items	99,692	-	-	-	-	2,285	101,977
Non Property Tax Items	3,453,905	-	-	-	-	-	3,453,905
Departmental Income	937,683	915,000	1,943,468	1,596,800	-	-	5,392,951
Intergovernmental Revenue	456,526	-	-	-	7,977	-	464,503
Use of Money and Property	251,719	2,752	2,628	6,825	219	4,793	268,936
Licenses and Permits	1,141,063	-	-	-	-	-	1,141,063
Fines and Forfeitures	917,920	-	-	-	-	-	917,920
Sale of Property and Compensation for Loss	89,351	30,760	-	-	-	-	120,111
Miscellaneous	137,877	3,616	-	-	775,000	104,680	1,021,173
State and Federal Aid	1,853,899	1,045,451	-	-	75,307	-	2,974,657
Total Revenues	17,019,664	8,415,916	2,360,574	2,685,656	858,503	262,468	31,602,781
Expenditures:							
General Government	2,885,899	50,066	-	-	52,734	-	2,988,699
Public Safety	4,381,684	-	-	-	-	-	4,381,684
Public Health	2,939	-	-	-	-	-	2,939
Transportation	286,936	6,465,905	-	-	-	156,649	6,909,490
Economic Assistance and Opportunity	165,846	-	-	-	-	-	165,846
Culture and Recreation	1,290,764	-	-	-	19,018	26,936	1,336,718
Home and Community Services	340,437	-	2,300,596	988,854	-	-	3,629,887
Employee Benefits	4,405,507	1,409,740	-	-	-	-	5,815,247
Capital Outlay	615,837	211,677	100,000	3,188	4,083,762	123,746	5,138,210
Debt Service	95,757	289,196	253,700	1,186,287	-	-	1,824,940
Total Expenditures	14,471,606	8,426,584	2,654,296	2,178,329	4,155,514	307,331	32,193,660
Excess/(Deficiency) of Revenues Over Expenditures	2,548,058	(10,668)	(293,722)	507,327	(3,297,011)	(44,863)	(590,879)
Other Financing Sources/(Uses):							
Operating Transfers In	-	-	-	-	4,512	-	4,512
Operating Transfers Out	-	-	-	(4,512)	-	-	(4,512)
Total Other Financing Sources/(Uses)	-	-	-	(4,512)	4,512	-	-
Change in Fund Balances	2,548,058	(10,668)	(293,722)	502,815	(3,292,499)	(44,863)	(590,879)
Fund Balances - Beginning	8,931,152	611,837	582,576	1,410,283	(42,216)	506,783	12,000,415
Fund Balances - Ending	\$ 11,479,210	\$ 601,169	\$ 288,854	\$ 1,913,098	\$ (3,334,715)	\$ 461,920	\$ 11,409,536

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, 2022

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	\$ 15,745,585	\$ -	\$ -	\$ -	\$ -	\$ 15,745,585
Real Property Tax Items	101,977	-	-	-	-	101,977
Non Property Tax Items	3,453,905	-	-	-	-	3,453,905
Departmental Income	5,392,951	-	-	-	-	5,392,951
Intergovernmental Revenue	464,503	-	-	-	-	464,503
Use of Money and Property	268,936	-	-	-	-	268,936
Licenses and Permits	1,141,063	-	-	-	-	1,141,063
Fines and Forfeitures	917,920	-	-	-	-	917,920
Sale of Property and Compensation for Loss	120,111	-	-	-	-	120,111
Miscellaneous	1,021,173	-	-	-	-	1,021,173
State and Federal Aid	2,974,657	-	-	-	-	2,974,657
Total Revenues	31,602,781	-	-	-	-	31,602,781
Expenditures:						
General Government	2,988,699	-	57,663	(19,994)	700,084	3,726,452
Public Safety	4,381,684	-	201,098	-	2,441,203	7,023,985
Public Health	2,939	-	-	-	-	2,939
Transportation	6,909,490	277,770	8,621	-	104,558	7,300,439
Economic Assistance and Opportunity	165,846	-	-	-	-	165,846
Culture and Recreation	1,336,718	-	8,277	-	442,099	1,787,094
Home and Community Services	3,629,887	(31,448)	104,333	-	100,391	3,803,163
Employee Benefits	5,815,247	(2,026,912)	-	-	(3,788,335)	-
Capital Outlay	5,138,210	-	(5,138,210)	-	-	-
Debt Service	1,824,940	(163,963)	-	(1,103,332)	-	557,645
Total Expenditures	32,193,660	(1,944,553)	(4,758,218)	(1,123,326)	-	24,367,563
Excess/(Deficiency) of Revenues Over Expenditures	(590,879)	1,944,553	4,758,218	1,123,326	-	7,235,218
Other Financing Sources/(Uses)						
Operating Transfers In	4,512	-	-	-	(4,512)	-
Operating Transfers Out	(4,512)	-	-	-	4,512	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Change in Fund Balances	\$(590,879)	\$ 1,944,553	\$ 4,758,218	\$ 1,123,326	\$ -	\$ 7,235,218

See accompanying notes to basic financial statements.

TOWN OF EAST FISHKILL, NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022

	Water Enterprise Fund
ASSETS	
Cash and Cash Equivalents	\$ 937,079
Capital Assets, Net	<u>3,375,798</u>
Total Assets	<u>4,312,877</u>
LIABILITIES	
Accounts Payable	8,536
Accrued Liabilities	11,722
Bonds Payable	<u>1,779,659</u>
Total Liabilities	<u>1,799,917</u>
NET POSITION	
Net Investment in Capital Assets	1,596,139
Unrestricted	<u>916,821</u>
Total Net Position	<u>\$ 2,512,960</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, 2022

	Water Enterprise Fund
OPERATING REVENUES	
Charges for Services	\$ 107,221
Special Assessments	426,037
Total Operating Revenues	<u>533,258</u>
OPERATING EXPENSES	
Depreciation	120,123
Administration-Contractual Expense	8,725
Source Supply Power & Contractual Expenses	5,035
Total Operating Expenses	<u>133,883</u>
Operating Income (Loss)	<u>399,375</u>
Non-Operating Income/(Expenses)	
Interest Income	4,452
Debt Interest	<u>(61,233)</u>
Total Non-Operating Income/(Expenses)	<u>(56,781)</u>
Change in Net Position	342,594
Total Net Position - Beginning of Year	<u>2,170,366</u>
Total Net Position - End of Year	<u>\$ 2,512,960</u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Water Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Revenues from Operating	\$ 533,258
Administration-Contractual	(10,847)
Net Cash Provided by Operating Activities	<u>522,411</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Construction of Capital Assets	(52,748)
Principal Payments on Debt	(66,668)
Interest Paid on Debt for Capital Purposes	(49,511)
Net Cash Used for Capital and Related Financing Activities	<u>(168,927)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	4,452
Net Cash Provided by Investing Activities	<u>4,452</u>
Net Increase in Cash and Cash Equivalents	357,936
Cash and Cash Equivalents - Beginning of Year	579,143
Cash and Cash Equivalents - End of Year	<u>\$ 937,079</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating Income	\$ 399,375
Adjustments to Reconcile Operating Income to Net Cash	
Provided by/(used for) Operating Activities:	
Depreciation	120,123
Increase in Accounts Payable	2,913
Net Cash Provided by Operating Activities	<u>\$ 522,411</u>

See accompanying notes to basic financial statements.

TOWN OF EAST FISHKILL, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	Custodial Fund
ASSETS	
Cash	\$ 222,868
Accounts Receivable	<u>11,991</u>
Total Assets	<u>234,859</u>
LIABILITIES	
Accounts Payable	98,737
Bail Deposits	<u>3,460</u>
Total Liabilities	<u>102,197</u>
NET POSITION	
Net Position - Restricted For Other Purposes	<u><u>\$ 132,662</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, 2022

	Custodial Fund
REVENUES	
Gifts and Donations	\$ 1,171
	<u>1,171</u>
Change in Net Position	1,171
Net Position Held in Trust - Beginning	3,460
Prior Period Adjustment (Note XV)	128,031
Net Position Held in Trust - Beginning <i>Restated</i>	<u>131,491</u>
Net Position Held in Trust - Ending	<u><u>\$ 132,662</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. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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 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.

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.

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

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.
- The *Park Fund* is used to record operation and maintenance transactions related to Town Parks. Revenues are derived from real property taxes.
- The *Drainage 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 record operation and maintenance transactions related to various Town recreation facilities and their operations. Revenue is derived from recreation fees and charges.

**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 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 project.

F. Property Taxes

The Town submits an approved budget to the Dutchess County Commissioner of Finance no later than December 5th. The County then establishes the warrant for the year which is due and payable on or about January 1st of each year. The Town collects the taxes on behalf of the Town and County without penalty through February 28th and with penalties and interest through May 31st. 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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. 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.

H. 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, 2022.

I. 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.

J. 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.

K. 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

L. 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.

M. 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.

N. 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.

O. 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.

P. 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 2023 budget, representing, \$475,000 from the Sewer Fund, and \$100,000 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, 2022, through November 4, 2024, 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	\$ 102,760
Water Transmission Rights	524,217
ERS Net Pension Asset - Proportionate Share	<u>1,242,172</u>
	<u>\$ 1,869,149</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	\$ 69,307,687
Accumulated Depreciation	<u>(39,839,989)</u>
Capital Assets, Net	<u>\$ 29,467,698</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, 2022	<u>\$ 203,726</u>
---------------------------------------	-------------------

**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:

Bonds Payable	\$ (22,114,341)
Installment Purchase Obligations	(19,237)
Landfill Remediation Liability	(1,808,337)
Compensated Absences Payable	(591,060)
PFRS Net Pension Liability	(438,248)
Other Postemployment Benefits	(42,289,861)
	<u>\$ (67,261,084)</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	\$ 16,791,360
Deferred Inflows of Resources	(32,072,590)
	<u>\$ (15,281,230)</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 Reported in Governmental Funds	\$ 31,602,781
Total Revenues Reported in the Statement of Activities	\$ 31,602,781

**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 \$ 32,193,660

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 decreased during the year. (11,751)

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 amount of financial resources used during the year exceeded the OPEB expense. (1,123,308)

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. (891,853)

Long-term liabilities are only recorded on the Statement of Net Position. This is the amount by which the landfill remediation liability decreased during the current year. (31,448)

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 prior year exceeded the interest payable for the current year. (163,963)

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 \$5,138,210 exceeded the depreciation expense of \$379,992 in the current year. (4,758,218)

Purchase of inventories are recorded as current period expenditures in the governmental funds. This is the amount by which inventories decreased during the current year. 277,770

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. (1,123,326)

Total expenses reported in the Statement of Net Position \$ 24,367,563

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

III. CASH

At December 31, 2022, the carrying amount of the Town’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$13,068,100 and the bank balance was \$8,814,948. In addition, the Town maintained petty cash of \$1,255. The Town’s deposits at December 31, 2022, 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, 2022 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 3,998,023	\$ -
Water	-	716,158
Capital Projects	-	3,280,323
Miscellaneous	-	1,542
TOTAL	<u>\$ 3,998,023</u>	<u>\$ 3,998,023</u>

Interfund transfers to fund capital projects for the year ended December 31, 2022, were as follows:

<u>Funds</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Capital Projects	\$ 4,512	\$ -
Sewer	-	4,512
TOTAL	<u>\$ 4,512</u>	<u>\$ 4,512</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, 2022, were as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,948,175	\$ 193,003	\$ -	\$ -	\$ 4,141,178
Construction in Progress	-	3,659,985	-	-	3,659,985
Total capital assets, not being depreciated	<u>3,948,175</u>	<u>3,852,988</u>	<u>-</u>	<u>-</u>	<u>7,801,163</u>
Capital assets, being depreciated:					
Buildings	24,170,457	346,310	-	-	24,516,767
Improvements and Infrastructure	5,933,357	227,940	-	-	6,161,297
Machinery and Equipment	10,085,294	710,972	(184,156)	-	10,612,110
Town Roads	20,216,350	-	-	-	20,216,350
Total capital assets being depreciated	<u>60,405,458</u>	<u>1,285,222</u>	<u>(184,156)</u>	<u>-</u>	<u>61,506,524</u>
Accumulated depreciation for:					
Buildings	(6,064,758)	(44,681)	-	-	(6,109,439)
Improvements and Infrastructure	(4,632,801)	(53,384)	-	-	(4,686,185)
Machinery and Equipment	(8,730,244)	(281,927)	184,156	-	(8,828,015)
Town Roads	(20,216,350)	-	-	-	(20,216,350)
Total accumulated depreciation	<u>(39,644,153)</u>	<u>(379,992)</u>	<u>184,156</u>	<u>-</u>	<u>(39,839,989)</u>
Total capital assets, being depreciated, net	<u>20,761,305</u>	<u>905,230</u>	<u>-</u>	<u>-</u>	<u>21,666,535</u>
Governmental activities capital assets, net	<u>\$ 24,709,480</u>	<u>\$ 4,758,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,467,698</u>
Business-type activities:					
Capital assets, not being depreciated:					
Enterprise Infrastructure	\$ 3,577,323	\$ 52,748	\$ -	\$ -	\$ 3,630,071
Accumulated depreciation for:					
Enterprise Infrastructure	(134,150)	(120,123)	-	-	(254,273)
Business-type activities capital assets, net	<u>\$ 3,443,173</u>	<u>\$ (67,375)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,375,798</u>

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

Governmental Activities:	
General Government	\$ 57,663
Public Safety	201,098
Transportation	8,621
Culture and Recreation	8,277
Home and Community Services	<u>104,333</u>
Total Depreciation Expense	<u>\$ 379,992</u>
Business-type Activities:	
Home and Community Services	<u>\$ 120,123</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
2022	\$ 695,630	\$ 811,287
2021	\$ 649,017	\$ 729,788
2020	\$ 649,860	\$ 706,786

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

At December 31, 2022, the Town reported (assets)/liabilities of (\$1,242,172) and \$438,248 for its proportionate share of the net pension (asset)/liability of the ERS and PFRS, respectively. The net pension (asset)/liability was measured as of March 31, 2022 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, 2022, the Town's proportion of the ERS net pension liability was 0.0151955%. At March 31, 2021, the Town's proportion of the ERS net pension liability was 0.0143057%.

At March 31, 2022, the Town's proportion of the PFRS net pension liability was 0.0771503%. At March 31, 2021, the Town's proportion of the PFRS net pension liability was 0.0694914%.

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

VI. PENSION PLANS – CONTINUED

For the year ended December 31, 2022, the Town recognized pension expense of \$132,288 for ERS and \$352,955 for PFRS. At December 31, 2022, 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	\$ 94,071	\$ 236,263	\$ 330,334
Changes of assumptions	2,073,046	2,623,007	4,696,053
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	180,606	181,233	361,839
Town's contributions subsequent to the measurement date	384,632	624,296	1,008,928
Total	<u>\$ 2,732,355</u>	<u>\$ 3,664,799</u>	<u>\$ 6,397,154</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 122,016	\$ -	\$ 122,016
Changes of assumptions	34,980	-	34,980
Net difference between projected and actual earnings on pension plan investments	4,067,594	3,682,427	7,750,021
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	49,357	331,067	380,424
Total	<u>\$ 4,273,947</u>	<u>\$ 4,013,494</u>	<u>\$ 8,287,441</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, 2023. 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>
2023	\$ (262,493)	\$ (234,107)
2024	(416,840)	(346,637)
2025	(1,044,085)	(893,882)
2026	(202,806)	468,715
2027	-	32,920
	<u>\$ (1,926,224)</u>	<u>\$ (972,991)</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:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2022	March 31, 2022
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

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.

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

VI. PENSION PLANS – CONTINUED

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, 2022	
	Target	Long-term
	allocation	expected
Asset Class:		real rate of return
Domestic Equity	32%	3.30%
International Equity	15%	5.85%
Private Equity	10%	6.50%
Real Estate	9%	5.00%
Opportunistic/ARS Portfolio	3%	4.10%
Credit	4%	3.78%
Real Assets	3%	5.80%
Fixed Income	23%	0.00%
Cash	1%	-1.00%
Total	100%	

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
ERS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	\$ 3,197,338	\$ (1,242,172)	\$ (4,955,608)
PFRS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	\$ 4,874,831	\$ 438,248	\$ (3,234,065)

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

VI. PENSION PLANS – CONTINUED

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2022, were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS	PFRS
	March 31, 2022	March 31, 2022
Employers' total pension liability	\$ 223,874,888	\$ 42,237,292
Plan net position	232,049,473	41,669,250
Employers' net pension (asset)/liability	<u>\$ (8,174,585)</u>	<u>\$ 568,042</u>
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	98.66%

Prepaid Contributions to the Pension Plan

For ERS, employer contributions for the plan year ended March 31, 2023, were paid to the System in December 2022. Prepaid retirement contributions as of December 31, 2022, amounted to \$128,211.

For PFRS, employer contributions for the plan year ended March 31, 2023, were paid to the System in December 2022. Prepaid retirement contributions as of December 31, 2022, amounted to \$208,098.

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	<u>153</u>

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2022. The liability for other postemployment benefits was measured as of December 31, 2022, and totaled \$42,289,861.

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

VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Changes in the Current OPEB Liability

Balance - Beginning	\$ 58,177,065
Changes for the Year:	
Service Cost	2,152,873
Interest	1,099,609
Changes in Assumptions or Other Inputs	(18,002,540)
Benefit Payments	(1,137,146)
Net Changes	<u>(15,887,204)</u>
Balance - Ending	<u>\$ 42,289,861</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.50%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	4.05%
Healthcare Cost Trend Rates	7.750% decreasing to 4.037%
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

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 3.05%	Discount Rate 4.05%	1% Increase 5.05%
Total OPEB Liability	\$ 49,772,930	\$ 42,289,861	\$ 36,257,045

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

VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

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	\$ 35,143,437	\$ 42,289,861	\$ 51,588,118

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

For the year ended December 31, 2022, the Town recognized OPEB expense of \$1,123,308. At December 31, 2022, 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	\$ 625,404	\$ (6,730,082)
Changes of assumptions or other inputs	9,768,802	(17,055,067)
Total	<u>\$ 10,394,206</u>	<u>\$ (23,785,149)</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. 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
2023	\$ (3,238,644)
2024	(2,276,511)
2025	(1,977,655)
2026	(1,435,355)
2027	(1,590,088)
Thereafter	(2,872,690)
	<u>\$ (13,390,943)</u>

VIII. 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.

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

VIII. LONG-TERM DEBT – CONTINUED

At December 31, 2022, the total principal indebtedness outstanding of the Town of East Fishkill aggregated \$23,913,237.

Interest expense on long-term debt for the year was:	Governmental Activities	Business-Type Activities
Interest Paid	\$ 721,608	\$ 49,511
Less: Interest accrued - prior year	(367,689)	-
Plus: Interest accrued - current year	203,726	11,722
	<u>\$ 557,645</u>	<u>\$ 61,233</u>

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

	Beginning Balance	Issued/Earned	Redeemed/Paid	Ending Balance	Current Portion
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt:					
Serial Bonds	\$ 23,217,673	\$ -	\$ 1,103,332	\$ 22,114,341	\$ 1,108,332
Total Bonds Payable	<u>23,217,673</u>	<u>-</u>	<u>1,103,332</u>	<u>22,114,341</u>	<u>1,108,332</u>
Other Debt:					
Installment Purchase Obligations	39,231	-	19,994	19,237	19,237
Total	<u>39,231</u>	<u>-</u>	<u>19,994</u>	<u>19,237</u>	<u>19,237</u>
Other liabilities:					
Compensated Absences	602,811	-	11,751	591,060	-
Landfill Remediation Liability	1,839,785	-	31,448	1,808,337	28,700
Net Pension Liability	1,220,807	-	782,559	438,248	-
Other Post Employment Benefits	58,177,065	-	15,887,204	42,289,861	-
Total Other Liabilities	<u>61,840,468</u>	<u>-</u>	<u>16,712,962</u>	<u>45,127,506</u>	<u>28,700</u>
Total long-term liabilities	<u>\$ 85,097,372</u>	<u>\$ -</u>	<u>\$ 17,836,288</u>	<u>\$ 67,261,084</u>	<u>\$ 1,156,269</u>
Business-Type Activities					
General Obligation Debt:					
Serial Bonds	\$ 1,846,327	\$ -	\$ 66,668	\$ 1,779,659	\$ 66,668

The following is a summary of the maturity of bonded indebtedness:

	Principal	Interest	Total
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	1,160,001	586,274	1,746,275
2028-2032	6,395,003	2,292,871	8,687,874
2033-2037	6,916,002	1,270,489	8,186,491
2038-2042	4,414,984	364,335	4,779,319
2043-2046	408,009	38,840	446,849
Total	<u>\$ 23,894,000</u>	<u>\$ 7,280,633</u>	<u>\$ 31,174,633</u>

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

IX. DEFICIT FUND BALANCES

Capital Fund had a deficit fund balance totaling (\$3,334,715) on December 31, 2022. The Lighting Fund had a deficit fund balance totaling (\$26,146) on December 31, 2022. The Miscellaneous Fund had a deficit fund balance totaling (\$2,485) on December 31, 2022.

X. UNRESTRICTED BALANCES

As of December 31, 2022, the Town's governmental activities unrestricted net position totaled a deficit of (\$47,333,777). A primary cause of the deficit is the future liability in the amount of \$42,289,861 which has been recorded in conformity with GASB 75 to reflect postemployment retiree benefits for healthcare.

XI. 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, 2022, 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)	\$	<u>10,461</u>
Total Liabilities	\$	<u>-</u>
Total Venture Equity	\$	<u>1,337,721</u>
Total Revenues	\$	<u>48,000</u>
Total Expenditures	\$	<u>48,826</u>
Total Fixed Assets	\$	<u>1,327,260</u>

During 2022, the Town paid \$30,858 to the joint venture which is included in the Revenues described above. The Town's liability for the future share of closure and post-closure monitoring costs are recorded in the Long-Term Debt Account Group (see Note XII).

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

XII. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

As described in Note XI, 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 \$3,736,922. This amount is based on what it would cost to perform post-closure care, through 2025 as required, as of December 31, 2022, assuming a 3% rate of inflation. The Town recorded its share of the Joint Landfill post-closure costs, amounting to \$1,808,337, in the government-wide financial statements.

In January 2004, the Town was notified by the New York State Department of Conservation that the landfill is subject to additional cleanup activities. These additional activities include installing a passive venting system, repairing erosion of the cap, constructing 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 \$1,808,337 (see Note XI) and have been recorded in the government-wide financial statements. Actual costs may be higher due to changes in inflation rates, technology, or regulations.

XIII. TAX ABATEMENTS

The Town enters into real property tax abatement agreements with local businesses under Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Act”). Under the Act, localities may grant property tax abatements for a business’ property tax bill for the purpose of attracting or retaining business within their jurisdiction. The abatement may be granted to any business located within or promising to relocate within the Town’s property limits.

For the fiscal year ended December 31, 2022, the Town abated property taxes totaling -\$- under this program. The District participates in one tax abatement through the Power Authority of the State of New York. The PILOTs received by the Town amounted to \$991.

AGREEMENT	START	TOTAL ASSESSMENT	TAX RATE	TAX VALUE	PILOT RECEIVED	TAXES ABATED
POWER AUTHORITY OF THE STATE OF NEW YORK	2/17/1987	\$ 317,500	3.12013	\$ 991	\$ 991	\$ -
				\$ 991	\$ 991	\$ -

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.

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

XV. PRIOR PERIOD ADJUSTMENT

Some activities were incorrectly omitted from the Custodial Fund in 2021. The balance was corrected as of January 1, 2022 resulting in an increase to Net Position of \$128,031.

XVI. NEW ACCOUNTING PRINCIPLES

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. 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.

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 April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses several topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. The requirements regarding leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The financial guarantees and derivatives requirements 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”). The statement 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 accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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, and all reporting periods thereafter.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of the financial statements with essential information about risks related to concentrations and constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The statement addresses application issues related to Management’s Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund, Major Component Unit, and Budgetary Comparison Information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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>	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Service Cost	\$ 2,152,873	\$ 1,966,243	\$ 1,635,622	\$ 1,398,367	\$ 2,175,364
Interest	1,099,609	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	(18,002,540)	2,561,178	7,132,199	7,959,402	(7,864,790)
Benefit Payments	(1,137,146)	(1,051,088)	(961,277)	(906,172)	(894,973)
Net Change in Total OPEB Liability	(15,887,204)	5,444,017	9,039,868	(4,695,875)	(4,767,718)
Total OPEB liability - beginning	58,177,065	52,733,048	43,693,180	48,389,055	53,156,773
Total OPEB liability - ending (a)	\$ 42,289,861	\$ 58,177,065	\$ 52,733,048	\$ 43,693,180	\$ 48,389,055
<u>Plan Fiduciary Net Position</u>					
Contributions - Employer	\$ 1,137,146	\$ 1,051,088	\$ 961,277	\$ 906,172	\$ 894,973
Benefit Payments	(1,137,146)	(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)	\$ 42,289,861	\$ 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%	0%
Covered Payroll	\$ 8,024,535	\$ 7,855,527	\$ 7,322,833	\$ 7,853,173	\$ 7,403,617
Total OPEB Liability as a percentage of covered payroll	527.01%	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:

12/31/22	4.05%
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 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
ERS					
3/31/2022	0.0151955%	\$ (1,242,172)	\$ 5,687,409	-21.84%	103.65%
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
PFRS					
3/31/2022	0.07715030%	\$ 438,248	\$ 3,134,958	13.98%	98.66%
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
ERS					
12/31/2022	\$ 695,630	\$ 695,630	\$ -	\$ 5,687,409	12.23%
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
PFRS					
12/31/2022	\$ 811,287	\$ 811,287	\$ -	\$ 3,134,958	25.88%
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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	\$ 7,680,029	\$ 7,680,029	\$ 7,680,029	\$ -
Real Property Tax Items	100,000	100,000	99,692	(308)
Non Property Tax Items	2,395,000	2,395,000	3,453,905	1,058,905
Departmental Income	697,000	697,000	937,683	240,683
Intergovernmental/Grant Income	50,000	50,000	456,526	406,526
Use of Money and Property	177,753	177,753	251,719	73,966
Licenses and Permits	861,000	861,000	1,141,063	280,063
Fines and Forfeitures	800,000	800,000	917,920	117,920
Sale of Property and Compensation for Loss	80,000	80,000	89,351	9,351
Miscellaneous	317,000	317,000	137,877	(179,123)
State and Federal Aid	1,673,890	1,839,690	1,853,899	14,209
Total Revenues	14,831,672	14,997,472	17,019,664	2,022,192
Expenditures:				
General Government	2,503,032	2,576,832	2,885,899	(309,067)
Public Safety	4,320,192	4,345,692	4,381,684	(35,992)
Health	5,000	5,000	2,939	2,061
Transportation	305,970	305,970	286,936	19,034
Economic Assistance and Opportunity	188,000	196,000	165,846	30,154
Culture and Recreation	1,474,850	1,511,350	1,290,764	220,586
Home and Community Services	429,198	429,198	340,437	88,761
Employee Benefits	4,762,902	4,784,902	4,405,507	379,395
Capital Outlay	746,771	746,771	615,837	130,934
Debt Service	95,757	95,757	95,757	-
Total Expenditures	14,831,672	14,997,472	14,471,606	525,866
Excess/(Deficiency) of Revenues Over Expenditures	-	-	2,548,058	2,548,058
Total Change in Fund Balance	\$ -	\$ -	\$ 2,548,058	\$ 2,548,058

TOWN OF EAST FISHKILL, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	\$ 6,418,337	\$ 6,418,337	\$ 6,418,337	\$ -
Departmental Income	7,815	7,815	915,000	907,185
Use of Money and Property	-	-	2,752	2,752
Sale of Property and Compensation for Loss	17,000	17,000	30,760	13,760
Miscellaneous	-	-	3,616	3,616
State and Federal Aid	450,000	1,411,500	1,045,451	(366,049)
Total Revenues	6,893,152	7,854,652	8,415,916	561,264
Expenditures:				
General Government	-	-	50,066	(50,066)
Transportation	4,316,707	5,266,707	6,465,905	(1,199,198)
Employee Benefits	1,651,796	1,663,296	1,409,740	253,556
Capital Outlay	635,453	635,453	211,677	423,776
Debt Service	289,196	289,196	289,196	-
Total Expenditures	6,893,152	7,854,652	8,426,584	(571,932)
Excess/(Deficiency) of Revenues Over Expenditures	-	-	(10,668)	(10,668)
Total Change in Fund Balance	\$ -	\$ -	\$ (10,668)	\$ (10,668)

TOWN OF EAST FISHKILL, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Real Property Taxes	\$ 414,478	\$ 414,478	\$ 414,478	\$ -
Departmental Income	1,875,979	1,875,979	1,943,468	67,489
Use of Money and Property	2,350	2,350	2,628	278
Total Revenues	<u>2,292,807</u>	<u>2,292,807</u>	<u>2,360,574</u>	<u>67,767</u>
Expenditures:				
Home and Community Services	2,034,105	2,034,105	2,300,596	(266,491)
Capital Outlay	95,000	95,000	100,000	(5,000)
Debt Service	253,702	253,702	253,700	2
Total Expenditures	<u>2,382,807</u>	<u>2,382,807</u>	<u>2,654,296</u>	<u>(271,489)</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(90,000)</u>	<u>(90,000)</u>	<u>(293,722)</u>	<u>(203,722)</u>
Net Change in Fund Balance	(90,000)	(90,000)	(293,722)	(203,722)
Appropriated Fund Balance	90,000	90,000	90,000	-
Total Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,722)</u>	<u>\$ (203,722)</u>

TOWN OF EAST FISHKILL, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	\$ 1,082,031	\$ 1,082,031	\$ 1,082,031	\$ -
Departmental Income	1,484,389	1,484,389	1,596,800	112,411
Use of Money and Property	7,371	7,371	6,825	(546)
Total Revenues	2,573,791	2,573,791	2,685,656	111,865
Expenditures:				
Home and Community Services	1,814,312	1,814,312	988,854	825,458
Capital Outlay	3,188	3,188	3,188	-
Debt Service	1,186,291	1,186,291	1,186,287	4
	3,003,791	3,003,791	2,178,329	825,462
Excess/(Deficiency) of Revenues Over Expenditures	(430,000)	(430,000)	507,327	937,327
Other Financing Sources/(Uses):				
Net Operating Transfers In/(Out)	-	-	(4,512)	(4,512)
Total Other Financing Sources/(Uses)	-	-	(4,512)	(4,512)
Net Change in Fund Balance	(430,000)	(430,000)	502,815	932,815
Appropriated Fund Balance	430,000	430,000	-	(430,000)
Total Change in Fund Balance	\$ -	\$ -	\$ 502,815	\$ 502,815

Other Information

**TOWN OF EAST FISHKILL, NEW YORK
 COMBINING BALANCE SHEETS
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022**

	Miscellaneous	Drainage	Recreation	Park	Lighting	Total Non-Major Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 10,272	\$ 423,343	\$ 11,144	\$ 29,346	\$ 474,105
Due From Other Governments	-	-	56,702	-	-	56,702
Total Assets	\$ -	\$ 10,272	\$ 480,045	\$ 11,144	\$ 29,346	\$ 530,807
LIABILITIES						
Accounts Payable	\$ 943	\$ -	\$ 8,620	\$ 2,290	\$ 55,492	\$ 67,345
Due to Other Funds	1,542	-	-	-	-	1,542
Total Liabilities	2,485	-	8,620	2,290	55,492	68,887
FUND BALANCES						
Fund Balance - Assigned						
Assigned for Fund Purposes	-	10,272	471,425	\$ 8,854	-	490,551
Fund Balance - Unassigned	(2,485)	-	-	-	(26,146)	(28,631)
Total Fund Balances	(2,485)	10,272	471,425	8,854	(26,146)	461,920
Total Liabilities and Fund Balances	\$ -	\$ 10,272	\$ 480,045	\$ 11,144	\$ 29,346	\$ 530,807

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, 2022

	Miscellaneous	Drainage	Recreation	Park	Lighting	Total Non-Major Governmental Funds
Revenues:						
Real Property Taxes	\$ 1,000	\$ 1,000	\$ -	\$ 7,110	\$ 141,600	\$ 150,710
Non Property Taxes	-	-	-	2,285	-	2,285
Use of Money and Property	-	55	2,257	2,164	317	4,793
Miscellaneous	-	-	104,680	-	-	104,680
Total Revenues	1,000	1,055	106,937	11,559	141,917	262,468
Expenditures:						
Transportation	12,702	-	-	-	143,947	156,649
Culture and Recreation	-	-	16,290	10,646	-	26,936
Capital Outlay	-	-	123,746	-	-	123,746
Total Expenditures	12,702	-	140,036	10,646	143,947	307,331
Excess/(Deficiency) of Revenues Over Expenditures	(11,702)	1,055	(33,099)	913	(2,030)	(44,863)
Change in Fund Balances	(11,702)	1,055	(33,099)	913	(2,030)	(44,863)
Fund Balances - Beginning	9,217	9,217	504,524	7,941	(24,116)	506,783
Fund Balances - Ending	\$ (2,485)	\$ 10,272	\$ 471,425	\$ 8,854	\$ (26,146)	\$ 461,920

**TOWN OF EAST FISHKILL, NEW YORK
SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2022**

	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 12/31/2022	Due Within the Next Year
<u>SERIAL BONDS</u>										
<i>Governmental Activities:</i>										
Four Corner's Water	9/29/2011	9/1/2041	2.0-5.0%	\$ 687,400	\$ -	\$ 24,659	\$ 662,741	\$ 27,646	\$ 2,079	\$ 24,659
Four Corner's Sewer	9/29/2011	9/1/2041	2.0-5.0%	427,600	-	15,341	412,259	17,198	1,293	15,341
Wildflower Sewer	12/18/2013	12/15/2043	5.30%	505,000	-	15,000	490,000	26,688	1,638	15,000
Beekman Water District	6/30/2016	6/30/2046	4.00%	835,000	-	33,000	802,000	33,400	15,380	33,000
Beekman Sewer District	6/30/2016	6/30/2046	4.00%	1,439,000	-	57,000	1,382,000	57,560	26,500	57,000
Cannon Land	6/1/2017	6/1/2032	2.50%	780,000	-	60,000	720,000	28,490	2,108	65,000
Refinance Bond	6/8/2017	3/15/2041	2.0-3.25%	15,405,000	-	785,000	14,620,000	502,055	134,769	785,000
Capital Bond	07/20/21	07/20/41	1.4-5%	3,138,673	-	113,332	3,025,341	28,571	19,959	113,332
				23,217,673	-	1,103,332	22,114,341	721,608	203,726	1,108,332
<i>Business-Type Activities:</i>										
Capital Bond	07/20/21	07/20/41	1.4-5%	1,846,327	-	66,668	1,779,659	49,511	11,722	66,668
Total Serial Bonds				25,064,000	-	1,170,000	23,894,000	771,119	215,448	1,175,000
<u>INSTALLMENT PURCHASE OBLIGATION</u>										
Installment Purchase Obligation	Various	Various	Various	39,231	-	19,994	19,237	-	-	19,237
Total Installment Purchase Obligations				39,231	-	19,994	19,237	-	-	19,237
TOTAL DEBT				\$ 25,103,231	\$ -	\$ 1,189,994	\$ 23,913,237	\$ 771,119	\$ 215,448	\$ 1,194,237



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, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated November 4, 2024.

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 opinions 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2022-01.

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
November 4, 2024

**TOWN OF EAST FISHKILL, NEW YORK
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SCHEDULE OF AUDIT FINDINGS

A. Financial Statement Findings

None noted.

B. Compliance Findings

Finding 2022-01: Annual Sexual Harassment Prevention Training

Condition: Not all Town employees completed annual sexual harassment prevention training.

Criteria: Every employer in New York is required to provide employees with sexual harassment prevention training pursuant to section 201-G of the Labor Law, and every employee must complete sexual harassment prevention training annually.

Cause: The Town did not require all employees to complete annual sexual harassment prevention training.

Effect: The Town was not in compliance with New York State Laws.

Recommendation: RBT recommends that the Town provide all employees with sexual harassment prevention training and obtain certification of completion for all employees annually.

