

FINANCIAL REPORT
AUDITED
TOWN OF CHESTER, NEW YORK
For the Year Ended December 31, 2024

Audited for:

Town Board
TOWN OF CHESTER, NEW YORK

Audited By:

RBT CPAs, LLP
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TOWN OF CHESTER, NEW YORK

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Town Board
Town of Chester
1786 Kings Highway
Chester, New York 10918

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chester, New York (the "Town"), as of and for the year ended December 31, 2024, 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, each major fund, and the aggregate remaining fund information of the Town of Chester, New York, as of December 31, 2024, and the changes in the financial position 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 total OPEB liability and related ratios, OPEB contributions and assumptions, proportionate share of the net pension liability and related ratios, and employer contributions on pages 4 through 9 and 41 through 50 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Chester'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025 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 Town's internal control over financial reporting and compliance.

RBT CPAs, LLP

Newburgh, NY

June 26, 2025

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

The accompanying management's discussion and analysis of the Town of Chester's (the "Town") financial performance has been prepared to provide an overview of the Town's financial activities for the year ended December 31, 2024. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements.

Requests For Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Supervisor's office at the Town of Chester, 1786 Kings Highway, Chester, NY 10918.

Financial Highlights

- The Town of Chester's net position (defined as assets plus deferred outflows less liabilities and deferred inflows) was (\$12,546,625) at December 31, 2024.
- The government's total net position decreased by \$37,307 during 2024.
- At December 31, 2024, the Town's proportionate shares of the net pension liability for the PFRS retirement system were included in total liabilities in the amount of \$2,072,946.
- At December 31, 2024 the Town's proportionate shares of the net pension liability for the ERS retirement system were included in total liabilities in the amount of \$1,176,305.
- At December 31, 2024, the OPEB liability was included in total liabilities in the amount of \$19,351,004.
- As of the close of the current fiscal year, the Town of Chester' governmental funds reported combined ending fund balances of \$3,542,571, an increase of \$375,370 in comparison with the prior year's restated fund balance.
- At the end of the year, unassigned fund balance for the General Fund was \$656,805.

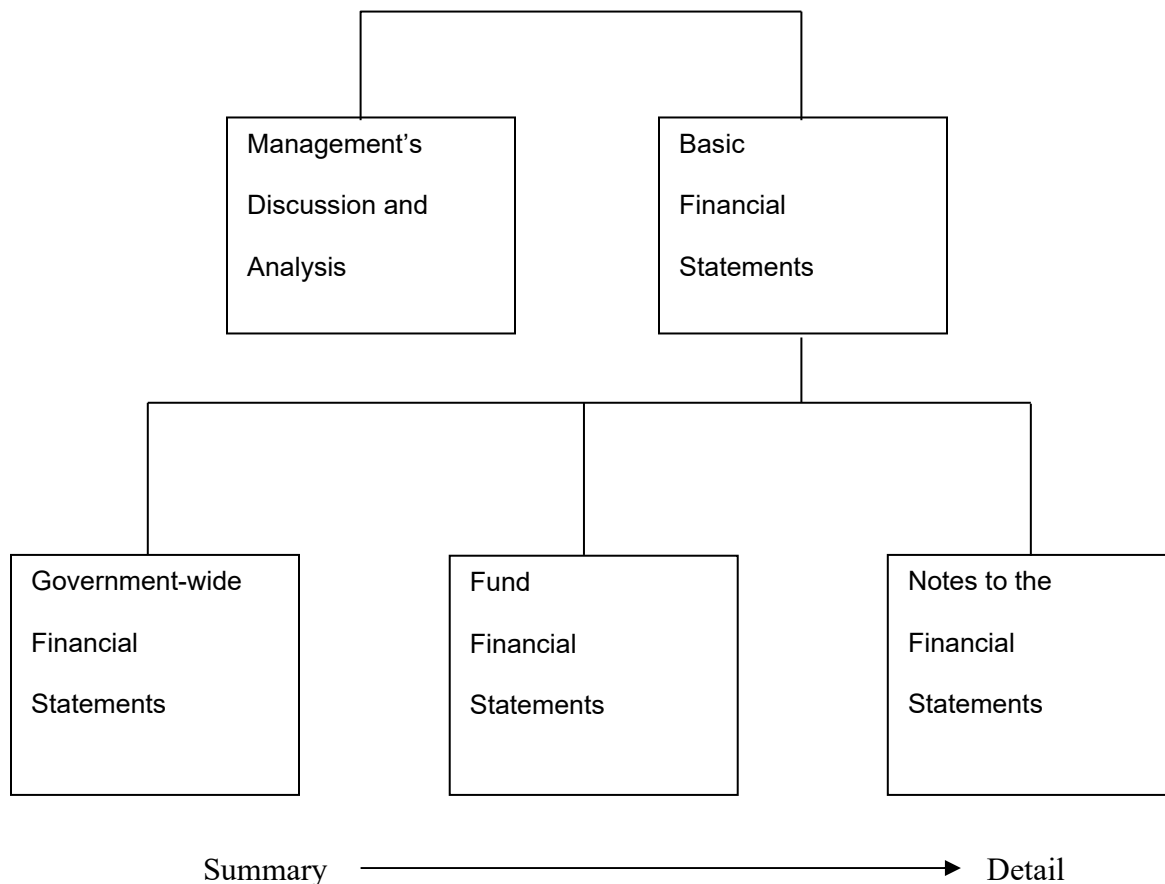
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Chester' basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Chester, New York.

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

Required Components of the Town's Basic Financial Statements

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental and fiduciary fund statements and 2) the budgetary comparison schedules. The budgetary comparison schedules are presented as required supplementary information.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The governmental activities include most of the Town's basic services such as public safety, water and sewer, refuse and drainage, road maintenance and administration. Property taxes, sales tax, charges for services and state aid finance most of these activities.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Chester, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the New York State General Municipal Law and local finance law or the Town's adopted budget. All of the funds of the Town of Chester are classified in two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Fiduciary Funds – The Town acts in a custodial capacity for assets that are ultimately transferred to others, such as bail deposits. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

The Town of Chester adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town of Chester, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary comparisons (presented in the Required Supplementary Information section) demonstrate how well the Town complied with the adopted budget and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedules use the budgetary basis of accounting and are presented using the same format, language and classifications as the legal budget document. The schedules show four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual revenues, expenditures and changes in fund balance; and 4) the variance between the final budget and actual revenues and expenditures.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

TOWN OF CHESTER'S NET POSITION

	<u>2024</u>	RESTATED <u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 7,198,953	\$ 6,295,079	\$ 903,874	14.36%
Long-Term Assets	940,884	937,424	3,460	100.00%
Capital Assets	<u>12,432,447</u>	12,617,882	(185,435)	-1.47%
Total Assets	<u>20,572,284</u>	19,850,385	721,899	3.64%
Deferred Outflows of Resources	<u>3,421,490</u>	3,467,939	(46,449)	-1.34%
Current Liabilities	<u>4,027,625</u>	3,618,596	409,029	11.30%
Long-Term Liabilities	<u>27,773,380</u>	31,027,150	(3,253,770)	-10.49%
Total Liabilities	<u>31,801,005</u>	34,645,746	(2,844,741)	-8.21%
Deferred Inflows of Resources	<u>4,739,394</u>	1,181,896	3,557,498	301.00%
Net Position:				
Net Investment in Capital Assets	7,376,166	6,983,124	393,042	5.63%
Restricted	650,326	1,300,711	(650,385)	-50.00%
Unrestricted	<u>(20,573,117)</u>	(20,793,153)	220,036	1.06%
Total Net Position	<u>\$ (12,546,625)</u>	\$ (12,509,318)	\$ (37,307)	-0.30%

Explanation of Significant Variances:

Total assets increased by approximately \$720,000, due to increases in cash and accounts receivable. The Town's total liabilities decreased by approximately \$2.8 million primarily due to decreases in long-term debt and other postemployment benefits.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

TOWN OF CHESTER'S CHANGES IN NET POSITION

	2024	%	RESTATED 2023	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,297,438	8.13%	\$ 1,334,993	9.06%	\$ (37,555)	-2.81%
Operating and Capital Grants	633,402	3.97%	593,255	4.03%	40,147	6.77%
General Revenues:						
Real Property Taxes	10,953,481	68.60%	9,619,888	65.28%	1,333,593	13.86%
Real Property Tax Items	119,763	0.76%	165,107	1.12%	(45,344)	100.00%
Non Property Taxes	101,198	0.63%	1,924,470	13.06%	(1,823,272)	-94.74%
Tax Revenue Sharing	2,277,459	14.26%	626,069	4.25%	1,651,390	100.00%
Intergovernmental Charges	88,795	0.56%	81,913	0.56%	6,882	100.00%
Use of Money and Property	249,658	1.56%	228,825	1.55%	20,833	9.10%
Sale of Property and Compensation for Loss	36,867	0.23%	24,875	0.17%	11,992	100.00%
Miscellaneous	208,319	1.30%	135,755	0.92%	72,564	53.45%
Total Revenues	15,966,380	100.00%	14,735,150	100.00%	1,231,230	8.36%
Expenses:						
General Government	3,108,226	19.42%	3,067,642	19.03%	40,584	1.32%
Public Safety	5,389,515	33.68%	5,365,638	33.30%	23,877	0.44%
Public Health	982	0.01%	1,647	0.01%	(665)	-40.38%
Transportation	2,849,883	17.81%	3,434,887	21.31%	(585,004)	-17.03%
Economic Assistance and Opportunity	82,238	0.51%	23,093	0.14%	59,145	256.12%
Culture and Recreation	1,154,218	7.21%	1,318,036	8.18%	(163,818)	-12.43%
Home and Community Services	3,237,637	20.23%	2,704,720	16.78%	532,917	19.70%
Interest on Debt	180,988	1.13%	201,070	1.25%	(20,082)	-9.99%
Total Expenses	16,003,687	100.00%	16,116,733	100.00%	(113,046)	-0.70%
Increase/(Decrease) in Net Assets	\$ (37,307)		\$ (1,381,583)			

Management's Explanation of Changes

Total revenue increased by \$1,231,230, 8.63% from 2023, with the largest fluctuations being real property taxes and tax revenue sharing.

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

Financial Analysis of the Town of Chester's Funds

As noted earlier, the Town of Chester uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Town of Chester' governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Town of Chester' financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund – Town Wide is the chief operating fund of the Town of Chester. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$656,805. As a measure of the General Fund – Town-Wide's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 1.80 percent of total General Fund expenditures.

At December 31, 2024, the governmental funds of the Town of Chester reported a combined fund balance of \$3,542,571, an 11.73 percent increase from last year's restated fund balance.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the General Fund – Town-Wide budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2024 totaled \$12,432,447 (net of accumulated depreciation). These assets include land, buildings, improvements and infrastructure, and machinery and equipment.

Debt: As of December 31, 2024, the Town of Chester had total debt outstanding of \$5,056,281. The debt is backed by the full faith and credit of the Town. The Town's total debt decreased by \$578,477 during the 2024 fiscal year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

**TOWN OF CHESTER, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 5,527,613
Restricted Cash and Cash Equivalents	650,326
Lease Receivable - Current (Note XI)	26,393
Accounts Receivable	114,223
Rents Receivable	153,993
Due from Other Governments	532,307
Prepaid Expenses	194,098
Total Current Assets	<u>7,198,953</u>
Lease Receivable - Long-Term (Note XI)	940,884
Total Long-Term Assets	<u>940,884</u>
Capital Assets, Not Being Depreciated	5,663,477
Capital Assets, Being Depreciated - Net	6,768,970
Total Capital Assets, Net (Note V)	<u>12,432,447</u>
Total Assets	<u>20,572,284</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (Note VI)	3,421,490
Total Deferred Outflows of Resources	<u>3,421,490</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>23,993,774</u>
LIABILITIES	
Accounts Payable	351,535
Due to Other Governments	835,897
Accrued Liabilities	321,466
Bond Anticipation Notes Payable (Note VIII)	985,000
Other Liabilities	1,132,446
Noncurrent Liabilities:	
Due and Payable Within One Year:	
Installment Purchase (Note IX)	41,281
Bonds Payable (Note IX)	360,000
Due and Payable More Than One Year:	
Bonds Payable (Note IX)	3,670,000
Compensated Absences (Note IX)	1,503,125
ERS Net Pension Liability-Proportionate Share (Note VI)	1,176,305
PFRS Net Pension Liability-Proportionate Share (Note VI)	2,072,946
Other Postemployment Benefits (Note VII)	19,351,004
Total Liabilities	<u>31,801,005</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue	15,721
Pensions (Note VI)	1,324,513
OPEB (Note VII)	2,486,376
Leases (Note XI)	912,784
Total Deferred Inflows of Resources	<u>4,739,394</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>36,540,399</u>
NET POSITION	
Net Investment in Capital Assets	7,376,166
Restricted	650,326
Unrestricted	(20,573,117)
Total Net Position	<u>\$ (12,546,625)</u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<u>FUNCTIONS/PROGRAMS</u>					
Primary Government:					
Governmental Activities:					
General Government	\$ (3,108,226)	\$ 16,463	\$ 27,894	\$ -	\$ (3,063,869)
Public Safety	(5,389,515)	469,117	110,819	-	(4,809,579)
Public Health	(982)	-	-	-	(982)
Transportation	(2,849,883)	100	425,179	-	(2,424,604)
Economic Assistance and Opportunity	(82,238)	-	-	-	(82,238)
Culture and Recreation	(1,154,218)	346,441	-	-	(807,777)
Home and Community Services	(3,237,637)	465,317	69,510	-	(2,702,810)
Interest on Debt	(180,988)	-	-	-	(180,988)
Total Primary Government	\$ (16,003,687)	\$ 1,297,438	\$ 633,402	\$ -	(14,072,847)
General Revenues:					
Real Property Taxes					10,953,481
Real Property Tax Items					119,763
Non Property Taxes					101,198
Tax Revenue Sharing					2,277,459
Intergovernmental Charges					88,795
Use of Money and Property					249,658
Sale of Property and Compensation for Loss					36,867
Miscellaneous					208,319
Total General Revenues					14,035,540
Change in Net Position					(37,307)
Net Position - Beginning					(12,590,354)
Prior Period Adjustments (Note XIV)					506,986
Cumulative Effect Adjustments (Note XIV)					(425,950)
Net Position - Beginning, as Restated					(12,509,318)
Net Position - Ending					\$ (12,546,625)

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund - Town Wide	General Fund - Town Outside Village	Highway Funds	Water Fund	Sewer Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 1,352,599	\$ 1,624,861	\$ 1,521,979	\$ 524,199	\$ 194,705	\$ 1,589	\$ 307,681	\$ 5,527,613
Restricted Cash and Cash Equivalents	158,080	100,000	12,525	95,713	195,269	-	88,739	650,326
Lease Receivable	967,277	-	-	-	-	-	-	967,277
Accounts Receivable	109,721	4,502	-	-	-	-	-	114,223
Rents Receivable	-	-	-	153,993	-	-	-	153,993
Due from Other Funds (Note IV)	23,393	8,722	5,244	-	-	-	-	37,359
Due from Other Governments	6,806	455,848	-	69,653	-	-	-	532,307
Prepaid Expenses	79,637	63,859	37,971	12,631	-	-	-	194,098
Total Assets	\$ 2,697,513	\$ 2,257,792	\$ 1,577,719	\$ 856,189	\$ 389,974	\$ 1,589	\$ 396,420	\$ 8,177,196
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 23,471	\$ 9,595	\$ 60,033	\$ 1,594	\$ 171,374	\$ -	\$ 85,468	\$ 351,535
Accrued Liabilities	61,848	116,385	42,234	10,795	-	-	-	231,262
Due to Other Funds (Note IV)	13,966	-	23,393	-	-	-	-	37,359
Due to Other Governments	137,903	540,075	140,372	17,547	-	-	-	835,897
Bond Anticipation Notes Payable	-	-	-	-	-	985,000	-	985,000
Other Liabilities	603,058	359,288	170,100	-	-	-	-	1,132,446
Total Liabilities	840,246	1,025,343	436,132	29,936	171,374	985,000	85,468	3,573,499
Deferred Inflows of Resources:								
Lease	912,784	-	-	-	-	-	-	912,784
Deferred Revenue	49,961	-	-	98,381	-	-	-	148,342
Total Deferred Inflows of Resources	962,745	-	-	98,381	-	-	-	1,061,126
Fund Balances:								
Nonspendable	79,637	63,859	37,971	12,631	-	-	-	194,098
Restricted	158,080	100,000	12,525	95,713	195,269	-	88,739	650,326
Assigned Fund Balances:								
Assigned for Subsequent Year's Budget	-	300,000	191,000	75,000	-	-	12,000	578,000
Assigned for Fund Purposes	-	768,590	900,091	544,528	23,331	-	210,213	2,446,753
Unassigned	656,805	-	-	-	-	(983,411)	-	(326,606)
Total Fund Balances	894,522	1,232,449	1,141,587	727,872	218,600	(983,411)	310,952	3,542,571
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,697,513	\$ 2,257,792	\$ 1,577,719	\$ 856,189	\$ 389,974	\$ 1,589	\$ 396,420	\$ 8,177,196

See accompanying notes to basic financial statements.

TOWN OF CHESTER, NEW YORK
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and Cash Equivalents	\$ 5,527,613	\$ -	\$ -	\$ 5,527,613
Restricted Cash and Cash Equivalents	650,326	-	-	650,326
Lease Receivable	967,277	-	-	967,277
Accounts Receivable	114,223	-	-	114,223
Rents Receivable	153,993	-	-	153,993
Due from Other Funds	37,359	-	(37,359)	-
Due from Other Governments	532,307	-	-	532,307
Prepaid Expenses	194,098	-	-	194,098
Capital Assets, Net	-	12,432,447	-	12,432,447
Deferred Outflows of Resources - Pension	-	3,421,490	-	3,421,490
Total Assets and Deferred Outflows of Resources	\$ 8,177,196	\$ 15,853,937	\$ (37,359)	\$ 23,993,774
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION				
Accounts Payable	\$ 351,535	\$ -	\$ -	\$ 351,535
Accrued Liabilities	231,262	90,204	-	321,466
Due to Other Funds	37,359	-	(37,359)	-
Due to Other Governments	835,897	-	-	835,897
Bond Anticipation Notes Payable	985,000	-	-	985,000
Other Liabilities	1,132,446	-	-	1,132,446
Deferred Revenue	148,342	(132,621)	-	15,721
Installment Purchase Debt	-	41,281	-	41,281
Bonds Payable	-	4,030,000	-	4,030,000
Compensated Absences	-	1,503,125	-	1,503,125
ERS Net Pension Liability - Proportionate Share	-	1,176,305	-	1,176,305
PFRS Net Pension Liability - Proportionate Share	-	2,072,946	-	2,072,946
Other Postemployment Benefits	-	19,351,004	-	19,351,004
Deferred Inflows of Resources - Pension	-	1,324,513	-	1,324,513
Deferred Inflows of Resources - OPEB	-	2,486,376	-	2,486,376
Deferred Lease	912,784	-	-	912,784
Total Liabilities and Deferred Inflows of Resources	4,634,625	31,943,133	(37,359)	36,540,399
Total Fund Balances/Net Position	3,542,571	(16,089,196)	-	(12,546,625)
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	\$ 8,177,196	\$ 15,853,937	\$ (37,359)	\$ 23,993,774

See accompanying notes to basic financial statements.

TOWN OF CHESTER, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund - Town Wide	General Fund - Town Outside Village	Highway Funds	Water Fund	Sewer Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:								
Real Property Taxes	\$ 3,117,563	\$ 2,941,207	\$ 2,359,498	\$ 535,750	\$ 942,955	\$ -	\$ 1,056,508	\$ 10,953,481
Real Property Tax Items	85,523	-	-	-	-	-	-	85,523
Non Property and Allocated Tax Items	-	1,459,785	449,167	-	-	-	-	1,908,952
Departmental Income	348,984	222,000	-	439,784	24,004	-	4,338	1,039,110
Intergovernmental Charges	-	25,749	63,046	-	-	-	-	88,795
Use of Money and Property	113,776	54,595	40,331	10,174	12,612	409	17,761	249,658
Licenses and Permits	8,568	6,030	100	-	-	-	-	14,698
Fines and Forfeitures	227,664	17,525	-	-	-	-	-	245,189
Sale of Property and Compensation for Loss	-	17,337	18,199	1,331	-	-	-	36,867
Miscellaneous	62,997	145,290	-	32	-	-	-	208,319
State and Federal Aid	971,200	131,907	-	-	-	-	-	1,103,107
Total Revenues	4,936,275	5,021,425	2,930,341	987,071	979,571	409	1,078,607	15,933,699
Expenditures:								
General Government	2,272,629	84,548	4,704	3,167	24,034	-	-	2,389,082
Public Safety	41,332	2,977,916	-	-	-	-	-	3,019,248
Public Health	-	982	-	-	-	-	-	982
Transportation	219,611	7,548	1,494,243	-	-	-	-	1,721,402
Economic Assistance and Opportunity	82,238	-	-	-	-	-	-	82,238
Culture and Recreation	760,160	-	-	-	-	-	-	760,160
Home and Community Services	-	106,747	-	676,441	1,040,444	-	1,033,233	2,856,865
Employee Benefits	1,122,963	1,630,498	734,308	161,149	-	-	414	3,649,332
Capital Outlay	51,052	57,000	153,402	141,615	-	-	-	403,069
Debt Service	410,529	127,834	210,130	22,458	-	-	-	770,951
Total Expenditures	4,960,514	4,993,073	2,596,787	1,004,830	1,064,478	-	1,033,647	15,653,329
Excess/(Deficiency) of Revenues Over Expenditures	(24,239)	28,352	333,554	(17,759)	(84,907)	409	44,960	280,370
Other Financing Sources/(Uses):								
BANs Redeemed from Appropriations	-	-	-	-	-	95,000	-	95,000
Operating Transfers In	1,493	101,304	70,182	56,149	-	-	-	229,128
Operating Transfers Out	(227,635)	-	-	-	-	-	(1,493)	(229,128)
Total Other Financing Sources/(Uses)	(226,142)	101,304	70,182	56,149	-	95,000	(1,493)	95,000
Change in Fund Balances	(250,381)	129,656	403,736	38,390	(84,907)	95,409	43,467	375,370
Fund Balances - Beginning	1,163,156	1,102,793	753,259	789,422	303,507	(1,078,820)	267,485	3,300,802
Prior Period Adjustments (Note XIV)	(18,253)	-	(15,408)	(99,940)	-	-	-	(133,601)
Fund Balances - Beginning, as Restated	1,144,903	1,102,793	737,851	689,482	303,507	(1,078,820)	267,485	3,167,201
Fund Balances - Ending	\$ 894,522	\$ 1,232,449	\$ 1,141,587	\$ 727,872	\$ 218,600	\$ (983,411)	\$ 310,952	\$ 3,542,571

See accompanying notes to basic financial statements.

TOWN OF CHESTER, 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, 2024

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	\$ 10,953,481	\$ -	\$ -	\$ -	\$ -	\$ 10,953,481
Real Property Tax Items	85,523	34,240	-	-	-	119,763
Non Property and Allocated Tax Items	1,908,952	-	-	-	-	1,908,952
Departmental Income	1,039,110	(1,559)	-	-	-	1,037,551
Intergovernmental Charges	88,795	-	-	-	-	88,795
Use of Money and Property	249,658	-	-	-	-	249,658
Licenses and Permits	14,698	-	-	-	-	14,698
Fines and Forfeitures	245,189	-	-	-	-	245,189
Sale of Property and Compensation for Loss	36,867	-	-	-	-	36,867
Miscellaneous	208,319	-	-	-	-	208,319
State and Federal Aid	1,103,107	-	-	-	-	1,103,107
Total Revenues	15,933,699	32,681	-	-	-	15,966,380
Expenditures:						
General Government	2,389,082	-	14,015	-	705,129	3,108,226
Public Safety	3,019,248	-	141,400	-	2,228,867	5,389,515
Public Health	982	-	-	-	-	982
Transportation	1,721,402	-	267,658	-	860,823	2,849,883
Economic Assistance and Opportunity	82,238	-	-	-	-	82,238
Culture and Recreation	760,160	-	98,486	-	295,572	1,154,218
Home and Community Services	2,856,865	-	66,945	-	313,827	3,237,637
Employee Benefits	3,649,332	754,886	-	-	(4,404,218)	-
Capital Outlay	403,069	-	(403,069)	-	-	-
Debt Service	770,951	(11,486)	-	(578,477)	-	180,988
Total Expenditures	15,653,329	743,400	185,435	(578,477)	-	16,003,687
Excess/(Deficiency) of Revenues Over Expenditures	280,370	(710,719)	(185,435)	578,477	-	(37,307)
Other Financing Sources/(Uses):						
BANs Redeemed from Appropriations	95,000	-	-	-	(95,000)	-
Interfund Transfers In	229,128	-	-	-	(229,128)	-
Interfund Transfers Out	(229,128)	-	-	-	229,128	-
Total Other Financing Sources/(Uses)	95,000	-	-	-	(95,000)	-
Change in Fund Balances/Net Position	\$ 375,370	\$ (710,719)	\$ (185,435)	\$ 578,477	\$ (95,000)	\$ (37,307)

See accompanying notes to basic financial statements.

TOWN OF CHESTER, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	Custodial Fund
ASSETS	
Cash	\$ 12,292
Total Assets	<u>12,292</u>
Net Position:	
Held in Trust	<u><u>\$ 12,292</u></u>

See accompanying notes to basic financial statements.

TOWN OF CHESTER, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	Custodial Fund
REVENUES/EXPENSES:	
Net Gain/(Loss) on Investments	\$ <u> -</u>
Change in Net Position	-
Net Position Held in Trust - Beginning	<u> 12,292</u>
Net Position Held in Trust - Ending	<u><u> \$ 12,292</u></u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Chester (the “Town”), established in 1845, is governed by the Code of the Town of Chester and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and as the chief fiscal officer.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The notes to the financial statements are an integral part of the statements and are intended to be read with them. As of December 31, 2024, the Town had determined that there were no component units required to be included in the reporting entity, the Town of Chester, based on criteria established by the Governmental Accounting Standards Board (“GASB”). GASB is the accepted standard setting board for establishing governmental accounting and financial reporting principles.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund – Town-Wide* 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 *General Fund – Town Outside Village* is used to record activity related to services provided to residents living outside the village in the Town, such as police protection.

**TOWN OF CHESTER, 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 *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 districts and 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.

The Town reports the following non-major funds:

- The *Refuse and Garbage Fund* is used to record operation and maintenance transactions related to the Town's refuse district.
- The *Drainage Fund* is used to record operation and maintenance transactions related to drainage districts' purposes.
- The *Parklands Fund* is used to acquire, develop and maintain land for park and outdoor recreational purposes.

Additionally, the Town reports the following fund type:

Fiduciary Funds are used to report assets which are held in a trust or 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 reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, post-employment benefits, potential contingent liabilities and useful lives of long-lived assets.

E. Budgetary Data

The budget policies are as follows:

1. No later than September 30th, the budget officer submits a tentative budget to the Town Clerk's Office for the year commencing the following January 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
 - a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20th.
 - b. All modifications of the budget must be approved by the Town Board.
2. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

F. Property Taxes

Town real property taxes are levied annually on January 1 and become a lien on that date. Taxes are collected during the period January 1 to January 31 at face value and from February 1 to May 31 with interest added. The Town Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town Supervisor prior to distributing the remaining balance collected to the County on June 1. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

G. Cash and Investments

The Town of Chester's investment policies are governed by State statutes. In addition, the Town of Chester has its own written investment policy. The Town's monies may be deposited into time deposits and certificates of deposit in a bank located and authorized to do business in New York State.

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 and school districts.

H. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

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

Purchases of inventorable items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

K. Leases

1. Lessor

The Town is a lessor under a noncancelable lease of land occupied by a cell tower. For short-term leases, the Town recognizes rental income based on the provisions of the lease agreement in the Statement of Activities. For all other leases, the Town recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position and the Balance Sheet – Governmental Funds.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision for uncollectible amounts, if applicable.

Any initial direct costs required to be paid by the Town are expensed in the period incurred. Subsequently, payments received are allocated first to any accrued interest receivable and then to the lease receivable.

The deferred inflow of leased revenue is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, if applicable. Subsequently, the deferred inflow of resources is recognized on a straight-line basis as revenue over the life of the lease term.

The following key estimates and judgments are used by the Town to determine the following:

- Discount rate: The Town uses either the explicit rate stated in the lease agreement or its incremental borrowing rate to discount the expected lease receipts to present value. Since the Town's bonds are not actively traded, the Town determines its incremental borrowing rate by using other observable inputs.

- Lease term: The lease term includes the noncancelable lease period of the lease, plus 1) periods for which the Town has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the Town is reasonably certain not to exercise the termination option.

- Lease receipts: Measurement of the lease receivable includes fixed payments, and as applicable, variable fixed in substance payments, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The Town monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflows of resources for leasing transactions.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Leases - Continued

2. Lessee

Non-Capitalized Lease Arrangements:

The Town leases a piece of office equipment, police radios, and office space under lessee arrangements. The Town has elected not to capitalize immaterial leases. The total minimum rental commitment at December 31, 2024, under the leases mentioned above, is due during the following fiscal years:

For the year ended December 31,	
2025	\$ 2,170
2026	2,170
2027	542
	<u>\$ 4,882</u>

L. Capital Assets

Capital assets are reported at historical costs. The Town depreciates capital assets using the straight-line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$ 2,500	15 - 40 years
Improvements	2,500	5 - 25 years
Machinery and Equipment	2,500	3 - 25 years

M. Infrastructure

The Town includes long-lived improvements to roads, water and sewer systems (“infrastructure”) as capital assets in the Government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

Under the implementation standards of GASB 34, the Town is considered a small government and, as such, was required only to recognize infrastructure on a prospective basis. Therefore, the Town did not retroactively reported any major general infrastructure assets acquired prior to January 1, 2004.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Roads and Infrastructure	\$ 2,500	20 - 100 years

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Vested Employee Benefits

Employees accrue (earn) vacation leave based on the number of years employed as stated in the employment contracts. Upon separation from service, employees are paid for unused vacation time.

Employees accrue (earn) sick leave at the rate of one day per month and may accumulate such credits up to a total of 165 days or an unlimited amount depending on the employee's classification. Upon separation or retirement from service, employees are paid 20% or 50%, respectively, of their accumulated sick time.

A liability for accrued (earned) vacation time is reflected in the Government-wide statements under the heading "Compensated Absences."

The Town's employees participate in the New York State Employees' Retirement System and New York State Police and Fire Retirement System. See Note VI.

In addition to providing pension benefits, the Town of Chester provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town of Chester. The Town records its share of insurance premiums as an expenditure in the governmental funds during the year paid. See Note VII.

O. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period, and as such will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below assets on the Statement of Net Position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and as such will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below liabilities on the Statement of Net Position.

The Town reports the following items as deferred outflows of resources or deferred inflows of resources at the governmentwide level: deferred inflows and outflows from pensions and OPEB as a result of contributions made after the measurement date, differences between expected and actual actuarial experience, differences between projected and actual investment earnings, and other changes in actuarial assumptions. In addition, the Town reports deferred inflows from leases based on expected future lease payments.

P. 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.

Q. Deferred Compensation

The Town, through the New York State Retirement Systems, offers their employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible employees, 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.

R. Risk Retention

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

S. Equity Classification

1. Government-wide Statements

Net Position is 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.

- Unrestricted Net Position

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

2. Fund Financial Statements

The following is a brief description of the five fund balances classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in 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 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, the Town of Chester has classified the following reserve funds as restricted fund balances:

- a. The General Fund – Town-Wide includes reserve funds established for playground equipment, parks department equipment, performing arts center improvements, and a generator. The balance at the end of 2024 was \$158,080.
- b. The General Fund – Town-Outside Village includes reserve funds established for police building repairs, police vehicles and police cameras. The balance at the end of 2024 was \$100,000.
- c. The Highway Fund – Town-Wide includes reserve funds established for future equipment and repairs. The balance at the end of 2024 was \$12,525.
- d. The Water Fund includes reserve funds established for capital improvements. The balance at the end of 2024 was \$95,713.
- e. The Sewer Fund includes reserve funds established for capital improvements. The balance at the end of 2024 was \$195,269.
- f. The Parklands Fund reserves balance at the end of 2024 was \$88,739.

- 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.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

S. Equity Classification – Continued

- 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 2025 budget, representing \$300,000 from the General Fund – Town Outside Village, \$104,000 from the Highway Fund – Town-Wide Fund, \$87,000 from the Highway Fund – Town Outside-Village, \$75,000 from the Water Fund, and \$12,000 from the Drainage Fund.

- Unassigned:

Represents the residual amount of fund balance in the General Fund – Town-Wide. In funds other than the General Fund – Town-Wide, this 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 of Chester'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 of Chester's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

T. 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.

U. Subsequent Events

The date to which events occurring after December 31, 2024, the date of the most recent balance sheet, have been evaluated for possible adjustments to the financial statements or disclosure is June 26, 2025, which is 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.

**TOWN OF CHESTER, 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:

- (1) 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 over their useful lives.

Original Cost of Capital Assets	\$ 26,858,032
Accumulated Depreciation	(14,425,585)
Capital Assets, Net	<u>\$ 12,432,447</u>

- (2) Interest payable is recognized in the government-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, 2024	<u>\$ 90,204</u>
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- (3) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, these liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds and Installment Obligations Payable	\$ (4,071,281)
ERS Pension Liability - Proportionate Share	(1,176,305)
Compensated Absences Payable	(1,503,125)
PFRS Pension Liability-Proportionate Share	(2,072,946)
Other Postemployment Benefits	(19,351,004)
	<u>\$ (28,174,661)</u>

- (4) Deferred Outflows and Inflows related to Pension and Other Post-Employment Benefits 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-Pension	<u>\$ 3,421,490</u>
Deferred Inflows of Resources-Pension	<u>\$ (1,324,513)</u>
Deferred Inflows of Resources-OPEB	<u>\$ (2,486,376)</u>

- (5) Certain deferred revenues are recognized in the entity-wide statement under full accrual accounting, whereas they are recognized when measurable and available in the governmental fund statements. This is the amount by which deferred water billings and PILOT payments for the current year were more than the deferred water billings and PILOT payments for the prior year. The difference between the governmental funds and the entity-wide statement at year-end was:

Deferred Revenues	<u>\$ (132,621)</u>
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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 Balances 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.

**TOWN OF CHESTER, 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:

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

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	\$ 15,933,699
Difference between Statements	32,681
Total revenues reported in the Statement of Activities	\$ 15,966,380

Total Expenditures/Expenses

Total expenditures reported in governmental funds	\$ 15,653,329
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.

272,989

In the Statement of Activities, the expenses for other postemployment benefits are measured based on the changes in the actuarially determined OPEB liability and related deferred inflows 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 changes in the OPEB liability and related deferred inflows and outflows of resources was more than the amount of financial resources used during the year.

277,857

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 pension expense was more than the amount of financial resources expended during the year.

204,040

Interest payable is recognized in the entity wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year was less than the interest payable for the prior year.

(11,486)

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 depreciation expense of \$588,504 exceeded capital expenditures of \$403,069 in the current year.

185,435

Repayment of debt principal 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. This is the amount of principal payments.

(578,477)

Total expenditures reported in the Statement of Activities	\$ 16,003,687
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**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

III. CASH AND CASH EQUIVALENTS

At December 31, 2024, the carrying amount of the Town’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$6,189,881 and the bank balance was \$6,417,498. The Town’s deposits at December 31, 2024, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town’s agent bank in the Town’s name. Petty cash is included in Cash and Cash Equivalents and totaled \$350 at year end.

IV. INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2024 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 23,393	\$ 13,966
Town Outside Village	8,722	-
Highway Town-Wide	5,244	23,393
	<hr/>	<hr/>
TOTAL	<u>\$ 37,359</u>	<u>\$ 37,359</u>

Interfund transfers for the year ended December 31, 2024 were as follows:

<u>Funds</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Town-Wide	\$ 1,493	\$ 227,635
General Town-Town Outside	101,304	-
Highway	70,182	-
Water	56,149	-
Parklands	-	1,493
	<hr/>	<hr/>
TOTAL	<u>\$ 229,128</u>	<u>\$ 229,128</u>

Interfund transfers were made for the following purposes:

- Use of ARPA Funding
- Use of Parkland Funds

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

V. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Prior Period Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,663,477	\$ -	\$ -	\$ -	\$ 5,663,477
Total capital assets, not being depreciated	<u>5,663,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,663,477</u>
Capital assets, being depreciated:					
Buildings	8,302,683	-	24,850	-	8,327,533
Improvements and Infrastructure	6,840,026	-	-	-	6,840,026
Machinery and Equipment	6,096,292	(374,486)	378,219	(73,029)	6,026,996
Total capital assets being depreciated	<u>21,239,001</u>	<u>(374,486)</u>	<u>403,069</u>	<u>(73,029)</u>	<u>21,194,555</u>
Accumulated depreciation for:					
Buildings	(3,369,169)	124,257	(179,417)	-	(3,424,329)
Improvements and Infrastructure	(6,691,231)	71,720	(10,196)	-	(6,629,707)
Machinery and Equipment	(4,764,843)	719,156	(398,891)	73,029	(4,371,549)
Total accumulated depreciation	<u>(14,825,243)</u>	<u>915,133</u>	<u>(588,504)</u>	<u>73,029</u>	<u>(14,425,585)</u>
Total capital assets being depreciated, net	<u>6,413,758</u>	<u>540,647</u>	<u>(185,435)</u>	<u>-</u>	<u>6,768,970</u>
Governmental activities capital assets, net	<u>\$ 12,077,235</u>	<u>\$ 540,647</u>	<u>\$ (185,435)</u>	<u>\$ -</u>	<u>\$ 12,432,447</u>

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

Governmental Activities:	
General Government	\$ 14,015
Public Safety	141,400
Transportation	267,658
Culture and Recreation	98,486
Home and Community Services	<u>66,945</u>
Total Depreciation Expense	<u>\$ 588,504</u>

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

VI. PENSION PLANS

Plan Description

The Town of Chester 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"), collectively referred to as the "Systems". 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, 110 State Street, 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, is not required to contribute to the Retirement System. Tier V and VI members must continue to contribute throughout their employment.

The Town of Chester, which includes the Chester Public Library, is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

Plan Year Ended March 31	ERS	PFRS
2024	\$ 367,339	\$ 567,687
2023	\$ 319,582	\$ 534,035
2022	\$ 441,415	\$ 513,756

Town contributions made to the Systems were equal to 100% of the contributions required for each year.

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

At December 31, 2024, the Town reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2024 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, actuarially determined. This information was provided by the Systems in reports provided to the Town.

	ERS	PFRS
Actuarial Valuation Date	4/1/2023	4/1/2023
Net Pension Liability	\$ 1,176,305	\$ 2,072,946
Town's Portion of the Plan's Total Net Pension Liability	0.0079890%	0.0437070%

TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

VI. PENSION PLANS - CONTINUED

For the year ended December 31, 2024, the Town recognized pension expense of \$550,525 for ERS and \$749,747 for PFRS. At December 31, 2024, 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	\$ 378,887	\$ 638,647	\$ 1,017,534
Changes of assumptions	444,735	781,917	1,226,652
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	197,631	143,777	341,408
Town's contributions subsequent to the measurement date	316,877	519,019	835,896
Total	<u>\$ 1,338,130</u>	<u>\$ 2,083,360</u>	<u>\$ 3,421,490</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 32,075	\$ -	\$ 32,075
Net difference between projected and actual earnings on pension plan investments	574,619	562,705	1,137,324
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	106,148	48,966	155,114
Total	<u>\$ 712,842</u>	<u>\$ 611,671</u>	<u>\$ 1,324,513</u>

**TOWN OF CHESTER, 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, 2025. 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>
2025	\$ (184,425)	\$ (123,316)
2026	251,165	646,664
2027	357,851	370,147
2028	(116,180)	(40,880)
2029	-	100,055
	<u>\$ 308,411</u>	<u>\$ 952,670</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, 2024	March 31, 2024
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%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.90%	2.90%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

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 returns net of investment expense 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 each of the target asset allocation percentages and by adding expected inflation.

**TOWN OF CHESTER, 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, 2024	
	Target allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	32%	4.00%
International Equity	15%	6.65%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic/ARS Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
Total	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 5.9% 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)	\$ (3,698,424)	\$ (1,176,305)	\$ 930,187
PFRS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (4,844,962)	\$ (2,072,946)	\$ 217,144

**TOWN OF CHESTER, 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, 2024, were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS March 31, 2024	PFRS March 31, 2024
Employers' total pension liability	\$ (240,696,851)	\$ (46,137,717)
Plan net position	225,972,801	41,394,895
Employers' net pension liability	<u>\$ (14,724,050)</u>	<u>\$ (4,742,822)</u>
Ratio of plan net position to the employers' total pension liability	93.88%	89.72%

Payments to the Pension Plans

For ERS, employer contributions for the plan year ended March 31, 2025 were paid to the System in January 2025. Accrued retirement contributions as of December 31, 2024 amounted to \$316,877.

For PFRS, employer contributions for the plan year ended March 31, 2025 were paid to the System in January 2025. Accrued retirement contributions as of December 31, 2024 amounted to \$519,019.

VII. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town's OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the provisions of the Town's agreements with its employees. The following eligibility rules currently apply to the Town's employees:

Group	Years of Service	Age
Non-Union	10	55
Teamsters-Highway	10	55
Teamsters-White Collar	10	55
Police Tier 1	20	55
Police Tier 5 and 6	20	62

Medical and prescription drug benefits are offered to retirees on a Town-subsided basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town's plan providing an additional layer of coverage. The Town reimburses Medicare Part B premiums for retirees.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

VII. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Contribution rates for new retirees are as follows:

Group	Age	Years of Service	Individual and Family	Reimburse Part B Premium		
			Employer Share	Individual	Spouse	Surviving Spouse
Non-Union	55	10	100%	Y	Y	N
Teamsters-Highway	55	10	100%			
Teamsters-White Collar	55	10	100%	Y	Y	N
Police Tier 1	55	20	100%			
Police Tier 5 and 6	62	20	100%	Y	Y	N

The Town’s contribution is equivalent to that portion of health insurance premiums paid that are allocated to retirees, estimated to be \$751,000 during the year ended December 31, 2024.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by benefit terms:

Active employees	39
Retired	26
Total employees covered by benefit terms	65

Total OPEB Liability

The Town obtained an actuarial valuation report as of January 1, 2024. The liability for other postemployment benefits was measured as of December 31, 2024 and totaled \$19,351,004.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the December 31, 2024 measurement date was determined used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation Rate	3.10%
Projected Salary Increases, Including Wage Inflation	3.50%
Discount Rate	4.08%
Healthcare Cost Trend Rates	8.00% decreasing to 4.54%
Mortality Rates	Scale MP-2021
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

VII. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

- The discount rate was based on an index based on the 20-year AA tax exempt general obligation municipal bond index rate as of December 31, 2024.
- Mortality Rates were based on the PUB-2010 mortality table with MP-2021 projection.

Changes in the Total OPEB Liability during the year ended December 31, 2024:

Balance - Beginning	\$ 21,559,523
Changes for the Year:	
Service Cost	592,474
Interest	773,291
Changes in Assumptions	(2,084,338)
Differences Between Expected and Actual Experience	(738,946)
Benefit Payments	<u>(751,000)</u>
Net Changes	<u>(2,208,519)</u>
Balance - Ending	<u>\$ 19,351,004</u>

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

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

Sensitivity of the total OPEB Liability to Changes in the Discount Rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 21,764,700	\$ 19,351,004	\$ 17,302,593

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	\$ 16,844,561	\$ 19,351,004	\$ 22,438,365

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

VII. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

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

For the year ended December 31, 2024, the Town recognized OPEB expense of \$277,857. At December 31, 2024, 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	\$ -	\$ (650,766)
Changes of assumptions or other inputs	-	(1,835,610)
Total	<u>\$ -</u>	<u>\$ (2,486,376)</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. 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
2025	\$ (336,908)
2026	(336,908)
2027	(336,908)
2028	(1,475,652)
2029	-
	<u>\$ (2,486,376)</u>

VIII. SHORT TERM DEBT

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

The following is a summary of the Town of Chester’s outstanding bond anticipation notes for the year ended December 31, 2024:

Description	Original Borrowing	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year
Highway Garage BAN	\$ 650,000	\$ 570,000	\$ -	\$ 45,000	\$ 525,000
Equipment BAN	610,000	510,000	-	50,000	460,000
	<u>\$ 1,260,000</u>	<u>\$ 1,080,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 985,000</u>

Interest expense on short-term debt paid during the year was:

Interest Paid	\$ 47,399
Less: Interest accrued - prior year	(8,550)
Plus: Interest accrued - current year	<u>6,567</u>
Interest expense	<u>\$ 45,416</u>

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

IX. LONG-TERM DEBT

The Town of Chester borrows money in order to acquire land or equipment or construct buildings and for capital improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2024, the total principal indebtedness outstanding of the Town of Chester long-term debt aggregated to \$4,071,281.

Interest expense on long-term debt paid during the year was:

Interest Paid	\$ 145,075
Less: Interest accrued - prior year	(93,140)
Plus: Interest accrued - current year	<u>83,637</u>
Interest expense	<u>\$ 135,572</u>

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

Governmental Activities	Restated Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Bonds Payable	\$ 4,385,000	\$ -	\$ 355,000	\$ 4,030,000	\$ 360,000
Installment Purchase Debt	169,758	-	128,477	41,281	41,281
	<u>4,554,758</u>	<u>-</u>	<u>483,477</u>	<u>4,071,281</u>	<u>401,281</u>
Other Liabilities:					
Compensated Absences	<u>1,230,136</u>	<u>272,989</u>	<u>-</u>	<u>1,503,125</u>	<u>-</u>
Total long-term liabilities	<u>\$ 5,784,894</u>	<u>\$ 272,989</u>	<u>\$ 483,477</u>	<u>\$ 5,574,406</u>	<u>\$ 401,281</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

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

	Principal	Interest	Total
2025	\$ 401,281	\$ 129,382	\$ 530,663
2026	270,000	116,655	386,655
2027	275,000	107,981	382,981
2028	285,000	99,067	384,067
2029	295,000	89,831	384,831
2030-2034	1,610,000	300,120	1,910,120
2035-2038	<u>935,000</u>	<u>66,938</u>	<u>1,001,938</u>
Total	<u>\$ 4,071,281</u>	<u>\$ 909,974</u>	<u>\$ 4,981,255</u>

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

X. DEFICIT FUND BALANCES

The Capital Projects Fund had a deficit unassigned fund balance at December 31, 2024 of (\$983,411). This deficit will be eliminated through future debt payments.

XI. LEASES

The Town is a lessor for a noncancellable lease of land for a cell tower. The lease has a termination option that the lessee may unilaterally exercise by giving various periods of notice to the Town. Principal and interest received from leases totaled \$49,003, in fiscal year 2024.

At December 31, 2024, the Town reported a lease receivable of \$967,277 and deferred inflows of resources for leases of \$912,784.

The total minimum lease commitment at December 31, 2024, under the lease mentioned above, is receivable during the following fiscal years:

For the year ended December 31,		
2025	\$	26,393
2026		26,921
2027		27,459
2028		28,008
2029		28,568
2030 - 2034		151,645
2035 - 2039		167,428
Thereafter		1,615,335
Total		<u>2,071,757</u>
Less: Present Value Discount		(1,104,480)
Leases Receivable	\$	<u><u>967,277</u></u>

XII. 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.

Judgments and Claims

The Town is a party to various legal proceedings which normally occur in governmental operations. In the opinion of the Town's management, any potential claims against the Town not covered by various insurance policies will not have a materially adverse effect on the Town's financial position and, accordingly, no provision for losses has been recorded as of December 31, 2024.

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.

**TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS**

XIII. PROPERTY TAX ABATEMENTS

The Town has 4 real property tax abatement agreements entered into by the Town of Chester under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (“PILOT”) in compliance with RPTL 4102-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the Town of Chester & the Orange County Industrial Development Agency (“IDA”) grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to the PILOT agreements in effect for the year ended December 31, 2024:

AGREEMENT	START	TOTAL ASSESSMENT	TAX RATE	TAX VALUE	PILOT RECEIVED	TAXES ABATED
X, LLC	2020	\$ 398,940	13.22000	\$ 5,274	\$ 3,809	\$ 1,465
Isomedix	2017	\$ 3,574,222	15.14000	\$ 54,114	\$ 39,175	\$ 14,939
Aiethamattathil Realty	2018	\$ 1,854,243	13.22000	\$ 24,513	\$ 15,765	\$ 8,748
215 Black Meadow Road Solar	2018	N/A	N/A	\$ 29,620	\$ 20,984	\$ 8,636
				\$ 113,521	\$ 79,733	\$ 33,788

The 2024 PILOT for 215 Black Meadow Road Solar was received during June of 2025. At December 31, 2024, the amount was recorded as deferred revenue on the statement of net position.

XIV. PRIOR PERIOD AND CUMULATIVE EFFECT ADJUSTMENT

Net position and fund balance at January 1, 2024 were restated to record adjustments for the following:

Prior period adjustments include corrections to revenues recorded in prior periods, debt payments made from the incorrect funds, and an increase in fixed assets resulting from over-stated depreciation. The cumulative effect adjustment for compensated absences relates to the implementation of GAB 101 which expanded the definition of compensated absences.

Governmental Activities:

Net Position Beginning of Year	\$ (12,590,354)
Prior Period Adjustments:	
Deferred Water Revenue	99,940
Reversal of Deferred Water Revenue	(99,940)
Fixed Assets Understated	540,647
PILOT Revenue Overstated	(20,404)
Deferred PILOT Revenue	(13,257)
Total Prior Period Adjustments	<u>506,986</u>
Cumulative Effect Adjustment for Compensated Absences	(425,950)
Net Position Beginning of Year, as Restated	<u>\$ (12,509,318)</u>

Fund Balance Beginning of Year	\$ 3,300,802
Prior Period Adjustments:	
Deferred Water Revenue	(99,940)
General Fund BAN Payments Overstated	15,408
Highway Town-Wide BAN Payments Understated	(15,408)
PILOT Revenue Overstated	(20,404)
Deferred PILOT Revenue	(13,257)
Total Prior Period Adjustments	<u>(133,601)</u>
Fund Balance Beginning of Year, as Restated	<u>\$ 3,167,201</u>

TOWN OF CHESTER, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

XV. NEW ACCOUNTING PRINCIPLES

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The Town implemented this standard for the year ended December 31, 2024 as required.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If these criteria are met, the government is required to disclose information regarding these risks. 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 makes targeted improvements to the governmental financial reporting model in order to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Areas impacted by the changes include the MD&A, budgetary comparison information, and major component unit information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires leases, intangible right-to-use assets, and subscription based information technology arrangements to be disclosed separately in the capital assets note disclosures. Additionally, this statement mandates the separate disclosure of all other intangible assets by major class, excluding the aforementioned types. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the potential impact of GASB 102 through 104, if any, on the Town's financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF CHESTER, NEW YORK
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

<u>Total OPEB Liability</u>	<u>12/31/24</u>	<u>12/31/23</u>
Service Cost	\$ 592,474	\$ 748,479
Interest	773,291	690,758
Differences Between Expected and Actual Experience	(738,946)	-
Changes in Assumptions or Other Inputs	(2,084,338)	-
Benefit Payments	(751,000)	(640,285)
Net Change in Total OPEB Liability	(2,208,519)	798,952
Total OPEB liability - beginning	21,559,523	20,760,571
Total OPEB liability - ending ("a")	<u>\$ 19,351,004</u>	<u>\$ 21,559,523</u>
<u>Plan Fiduciary net position</u>		
Contributions - Employer	\$ 751,000	\$ 640,285
Net Investment Income	-	-
Benefit Payments	(751,000)	(640,285)
Administrative Expense	-	-
Net Change in Plan Fiduciary Net Position	-	-
Plan Fiduciary net position - beginning	-	-
Plan Fiduciary net position - ending ("b")	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 19,351,004</u>	<u>\$ 21,559,523</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered Payroll	\$ 3,895,126	\$ 4,211,238
Total OPEB Liability as a percentage of covered payroll	496.80%	511.95%

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 is the discount rate used:

12/31/23	3.26%
12/31/24	4.08%

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 2023 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 CHESTER, NEW YORK
SCHEDULE OF OPEB CONTRIBUTIONS AND ASSUMPTIONS

	<u>2024</u>	<u>2023</u>
Actuarially determined contribution (SC + 30 year amort NOL)	\$ 1,710,715	\$ 1,867,974
Contributions in relating to the actuarially determined contribution	<u>(751,000)</u>	<u>(640,285)</u>
Contribution (Excess)/Deficiency	<u>\$ 959,715</u>	<u>\$ 1,227,689</u>
Covered Payroll	\$ 3,895,126	\$ 4,211,238
Contributions as a percentage of covered payroll	43.92%	44.36%

Notes to Schedule:

Valuation date:	1/1/2024	1/1/2023
Census data:	1/1/2024	1/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	N/A
Amortization period	N/A	N/A
Inflation	3.10%	3.10%
Healthcare cost trend rates	8.00% decreasing to 4.54%	7.48% decreasing to 6.02%
Salary increases	3.50%	3.50%
Retirement age	rates from age 55	rates from age 55
Mortality	PUB 2010 w/ MP2021 proj	PUB 2010 w/ MP2021 proj
Participation at Retirement	50%	95%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2023 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 CHESTER, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees' Retirement System					
3/31/2024	0.00798900%	\$ (1,176,305)	\$ 2,838,611	-41.44%	93.88%
3/31/2023	0.00800560%	\$ (1,716,729)	\$ 2,751,369	-62.40%	90.78%
3/31/2022	0.00829780%	\$ 678,308	\$ 2,586,399	26.23%	103.65%
3/31/2021	0.00824600%	\$ (738,970)	\$ 2,487,797	-29.70%	99.95%
3/31/2020	0.00886200%	\$ (2,293,743)	\$ 2,845,805	-80.60%	96.27%
3/31/2019	0.00864145%	\$ (612,511)	\$ 2,787,056	-21.98%	96.27%
3/31/2018	0.00085520%	\$ (276,012)	\$ 2,462,544	-11.21%	98.20%
3/31/2017	0.00894290%	\$ (792,076)	\$ 2,454,906	-32.27%	94.70%
3/31/2016	0.00836710%	\$ (1,342,943)	\$ 2,317,379	-57.95%	90.70%
Police and Fire Retirement System					
3/31/2024	0.04370700%	\$ (2,072,946)	\$ 2,218,597	-93.43%	89.72%
3/31/2023	0.04445140%	\$ (2,449,481)	\$ 2,065,139	-118.61%	87.43%
3/31/2022	0.04631060%	\$ (263,065)	\$ 2,020,838	-13.02%	98.66%
3/31/2021	0.04278750%	\$ (8,443)	\$ 1,710,013	-0.49%	95.79%
3/31/2020	0.04076590%	\$ (2,179,105)	\$ 1,657,526	-131.47%	95.09%
3/31/2019	0.04328720%	\$ (725,954)	\$ 1,674,313	-43.36%	95.09%
3/31/2018	0.04536200%	\$ (458,500)	\$ 1,548,509	-29.61%	96.90%
3/31/2017	0.04627840%	\$ (959,191)	\$ 1,550,827	-61.85%	93.50%
3/31/2016	0.04330340%	\$ (1,282,121)	\$ 1,452,089	-88.29%	90.70%

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 CHESTER, NEW YORK
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
12/31/2024	\$ 367,339	\$ 367,339	\$ -	2,772,066	13.25%
12/31/2023	\$ 319,582	\$ 319,582	\$ -	2,853,045	11.20%
12/31/2022	\$ 441,415	\$ 441,415	\$ -	2,758,484	16.00%
12/31/2021	\$ 382,831	\$ 382,831	\$ -	2,487,797	15.39%
12/31/2020	\$ 387,240	\$ 387,240	\$ -	2,845,805	13.61%
12/31/2019	\$ 361,117	\$ 361,117	\$ -	2,787,056	12.96%
12/31/2018	\$ 363,859	\$ 363,859	\$ -	2,462,544	14.78%
12/31/2017	\$ 471,559	\$ 471,559	\$ -	2,454,906	19.21%
12/31/2016	\$ 346,522	\$ 346,522	\$ -	2,317,379	14.95%
12/31/2015	\$ 464,581	\$ 464,581	\$ -	2,313,420	20.08%
Police and Fire Retirement System					
Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 567,687	\$ 567,687	\$ -	2,304,966	24.63%
12/31/2023	\$ 534,035	\$ 534,035	\$ -	2,210,259	24.16%
12/31/2022	\$ 513,756	\$ 513,756	\$ -	2,036,301	25.23%
12/31/2021	\$ 392,168	\$ 392,168	\$ -	1,710,013	22.93%
12/31/2020	\$ 368,925	\$ 368,925	\$ -	1,657,526	22.26%
12/31/2019	\$ 358,132	\$ 358,132	\$ -	1,674,313	21.39%
12/31/2018	\$ 352,087	\$ 352,087	\$ -	1,548,509	22.74%
12/31/2017	\$ 538,108	\$ 538,108	\$ -	1,550,827	34.70%
12/31/2016	\$ 322,558	\$ 322,558	\$ -	1,452,089	22.21%
12/31/2015	\$ 260,224	\$ 260,224	\$ -	1,611,122	16.15%

TOWN OF CHESTER NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND - TOWN WIDE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Real Property Taxes	\$ 3,117,563	\$ 3,117,563	\$ 3,117,563	\$ -
Real Property Tax Items	116,335	116,335	85,523	(30,812)
Departmental Income	171,000	421,000	348,984	(72,016)
Use of Money and Property	4,500	4,500	113,776	109,276
Licenses and Permits	8,000	8,000	8,568	568
Fines and Forfeitures	250,400	250,400	227,664	(22,736)
Miscellaneous	252,200	26,699	62,997	36,298
State and Federal Aid	684,000	933,903	971,200	37,297
Total Revenues	4,603,998	4,878,400	4,936,275	57,875
Expenditures:				
General Government	2,115,157	2,429,674	2,272,629	157,045
Public Safety	47,408	47,408	41,332	6,076
Transportation	292,258	278,058	219,611	58,447
Economic Assistance and Opportunity	42,000	41,438	82,238	(40,800)
Culture and Recreation	902,446	898,720	760,160	138,560
Employee Benefits	1,009,228	1,044,048	1,122,963	(78,915)
Capital Outlay	96,500	134,772	51,052	83,720
Debt Service	499,001	429,251	410,529	18,722
Total Expenditures	5,003,998	5,303,369	4,960,514	342,855
Excess/(Deficiency) of Revenues Over Expenditures	(400,000)	(424,969)	(24,239)	400,730
Other Financing Sources/(Uses):				
Net Operating Transfers In/(Out)	-	(126,142)	(226,142)	(100,000)
Total Other Financing Sources/(Uses)	-	(126,142)	(226,142)	(100,000)
Net Change in Fund Balance	(400,000)	(551,111)	(250,381)	300,730
Appropriated Fund Balance	400,000	551,111	250,381	(300,730)
Total Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

TOWN OF CHESTER, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND - TOWN OUTSIDE VILLAGE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Real Property Taxes	\$ 2,941,207	\$ 2,941,207	\$ 2,941,207	\$ -
Non Property Tax Items	1,275,000	1,275,000	1,459,785	184,785
Departmental Income	415,500	415,500	222,000	(193,500)
Intergovernmental Charges	14,000	14,000	25,749	11,749
Use of Money and Property	20,000	20,000	54,595	34,595
Licenses and Permits	1,000	1,000	6,030	5,030
Fines and Forfeitures	6,000	6,000	17,525	11,525
Sale of Property and Compensation for Loss	6,000	6,000	17,337	11,337
Miscellaneous	111,000	111,000	145,290	34,290
State and Federal Aid	8,632	8,632	131,907	123,275
Total Revenues	4,798,339	4,798,339	5,021,425	223,086
Expenditures:				
General Government	121,000	148,282	84,548	63,734
Public Safety	3,046,722	3,057,815	2,977,916	79,899
Public Health	2,700	2,700	982	1,718
Transportation	7,500	8,500	7,548	952
Home and Community Services	133,584	133,584	106,747	26,837
Employee Benefits	1,549,300	1,499,299	1,630,498	(131,199)
Capital Outlay	59,700	125,700	57,000	68,700
Debt Service	127,833	127,834	127,834	-
Total Expenditures	5,048,339	5,103,714	4,993,073	110,641
Excess/(Deficiency) of Revenues Over Expenditures	(250,000)	(305,375)	28,352	333,727
Other Financing Sources/(Uses):				
Net Operating Transfers In/(Out)	-	55,304	101,304	46,000
Total Other Financing Sources/(Uses)	-	55,304	101,304	46,000
Net Change in Fund Balance	(250,000)	(250,071)	129,656	379,727
Appropriated Fund Balance	250,000	250,071	-	(250,071)
Total Change in Fund Balance	\$ -	\$ -	\$ 129,656	\$ 129,656

TOWN OF CHESTER, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND - TOWN-WIDE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Real Property Taxes	\$ 1,353,922	\$ 1,353,922	\$ 1,353,922	\$ -
Intergovernmental Charges	60,000	60,000	61,776	1,776
Use of Money and Property	5,000	5,000	25,936	20,936
Sale of Property and Compensation for Loss	5,000	5,000	15,275	10,275
Miscellaneous	-	-	-	-
Total Revenues	1,423,922	1,423,922	1,456,909	32,987
Expenditures:				
Transportation	749,100	748,402	488,602	259,800
Employee Benefits	348,000	393,000	316,689	76,311
Capital Outlay	282,422	409,451	153,402	256,049
Debt Service	144,400	99,400	210,130	(110,730)
Total Expenditures	1,523,922	1,650,253	1,168,823	481,430
Excess/(Deficiency) of Revenues Over Expenditures	(100,000)	(226,331)	288,086	514,417
Other Financing Sources/(Uses):				
Net Operating Transfers In/(Out)	-	126,331	70,182	(56,149)
Total Other Financing Sources/(Uses)	-	126,331	70,182	(56,149)
Net Change in Fund Balance	(100,000)	(100,000)	358,268	458,268
Appropriated Fund Balance	100,000	100,000	-	(100,000)
Total Change in Fund Balance	\$ -	\$ -	\$ 358,268	\$ 358,268

TOWN OF CHESTER, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND - TOWN OUTSIDE VILLAGE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Real Property Taxes	\$ 1,005,576	\$ 1,005,576	\$ 1,005,576	\$ -
Non Property and Allocated Tax Items	600,000	600,000	449,167	(150,833)
Intergovernmental Charges	-	-	1,270	1,270
Use of Money and Property	-	-	14,395	14,395
Licenses and Permits	1,000	1,000	100	(900)
Sale of Property and Compensation for Loss	5,000	5,000	2,924	(2,076)
Total Revenues	<u>1,611,576</u>	<u>1,611,576</u>	<u>1,473,432</u>	<u>(138,144)</u>
Expenditures:				
General Government	-	4,800	4,704	96
Transportation	1,353,176	1,252,176	1,005,641	246,535
Employee Benefits	358,400	454,600	417,619	36,981
Total Expenditures	<u>1,711,576</u>	<u>1,711,576</u>	<u>1,427,964</u>	<u>283,612</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>45,468</u>	<u>145,468</u>
Appropriated Fund Balance	100,000	100,000	-	(100,000)
Total Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,468</u>	<u>\$ 45,468</u>

TOWN OF CHESTER, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Real Property Taxes	\$ 535,750	\$ 535,750	\$ 535,750	\$ -
Departmental Income	454,836	454,836	439,784	(15,052)
Use of Money and Property	3,350	3,350	10,174	6,824
Sale of Property and Compensation for Loss	-	-	1,331	1,331
Miscellaneous	-	-	32	32
Total Revenues	993,936	993,936	987,071	(6,865)
Expenditures:				
General Government	-	3,199	3,167	32
Home and Community Services	814,050	808,827	676,441	132,386
Employee Benefits	152,128	172,216	161,149	11,067
Capital Outlay	201,300	208,014	141,615	66,399
Debt Service	22,458	22,458	22,458	-
Total Expenditures	1,189,936	1,214,714	1,004,830	209,884
Excess/(Deficiency) of Revenues Over Expenditures	(196,000)	(220,778)	(17,759)	203,019
Other Financing Sources/(Uses):				
Operating Transfers In	-	-	56,149	56,149
Total Financing Sources/(Uses)	-	-	56,149	56,149
Net Change in Fund Balance	(196,000)	(220,778)	38,390	259,168
Appropriated Fund Balance	196,000	220,778	-	(220,778)
Total Change in Fund Balance	\$ -	\$ -	\$ 38,390	\$ 38,390

TOWN OF CHESTER, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Real Property Taxes	\$ 942,958	\$ 942,958	\$ 942,955	\$ (3)
Departmental Income	24,000	24,000	24,004	4
Use of Money and Property	1,400	1,400	12,612	11,212
Total Revenues	968,358	968,358	979,571	11,213
Expenditures:				
General Government	-	24,100	24,034	66
Home and Community Services	958,058	958,059	1,040,444	(82,385)
Debt Service	10,300	10,300	-	10,300
Total Expenditures	968,358	992,459	1,064,478	(72,019)
Excess/(Deficiency) of Revenues Over Expenditures	-	(24,101)	(84,907)	(60,806)
Net Change in Fund Balance	-	(24,101)	(84,907)	(60,806)
Appropriated Fund Balance	-	24,101	24,101	-
Total Change in Fund Balance	\$ -	\$ -	\$ (60,806)	\$ (60,806)

**OTHER
SUPPLEMENTARY
INFORMATION**

**TOWN OF CHESTER, NEW YORK
 COMBINING BALANCE SHEETS
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2024**

	Refuse and Garbage Fund	Drainage Fund	Parklands Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 158,101	\$ 149,580	\$ -	\$ 307,681
Restricted Cash and Cash Equivalents	-	-	88,739	88,739
Total Assets	\$ 158,101	\$ 149,580	\$ 88,739	\$ 396,420
LIABILITIES				
Accounts Payable	\$ 85,468	\$ -	\$ -	\$ 85,468
Total Liabilities	85,468	-	-	85,468
FUND BALANCES				
Restricted	-	-	88,739	88,739
Assigned for Subsequent Year's Budget	-	12,000	-	12,000
Assigned for Fund Purposes	72,633	137,580	-	210,213
Total Fund Balances	72,633	149,580	88,739	310,952
Total Liabilities and Fund Balances	\$ 158,101	\$ 149,580	\$ 88,739	\$ 396,420

TOWN OF CHESTER, NEW YORK
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Refuse and Garbage Fund	Drainage Fund	Parklands Fund	Total Non-Major Governmental Funds
Revenues:				
Real Property Taxes	\$ 1,052,579	\$ 3,929	\$ -	\$ 1,056,508
Departmental Income	338	-	4,000	4,338
Use of Money and Property	13,309	3,563	889	17,761
Total Revenues	1,066,226	7,492	4,889	1,078,607
Expenditures:				
Home and Community Services	1,033,233	-	-	1,033,233
Employee Benefits	414	-	-	414
Total Expenditures	1,033,647	-	-	1,033,647
Excess/(Deficiency) of Revenues Over Expenditures	32,579	7,492	4,889	44,960
Other Financing Sources:				
Operating Transfers Out	-	-	(1,493)	(1,493)
Change in Fund Balances	32,579	7,492	3,396	43,467
Fund Balances - Beginning	40,054	142,088	85,343	267,485
Fund Balances - Ending	\$ 72,633	\$ 149,580	\$ 88,739	\$ 310,952

**TOWN OF CHESTER, NEW YORK
 COMBINING BALANCE SHEETS
 HIGHWAY FUNDS
 DECEMBER 31, 2024**

	Highway Fund - Town-Wide	Highway Fund - Town Outside Village	Total Highway Funds
ASSETS			
Cash and Cash Equivalents	\$ 915,507	\$ 606,472	\$ 1,521,979
Restricted Cash and Cash Equivalents	12,525	-	12,525
Due from Other Funds	5,244	-	5,244
Prepaid Expenses	37,652	319	37,971
Total Assets	\$ 970,928	\$ 606,791	\$ 1,577,719
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 15,625	\$ 44,408	\$ 60,033
Accrued Expenditures	42,234	-	42,234
Due to Other Governments	70,186	70,186	140,372
Other Liabilities	-	170,100	170,100
Total Liabilities	151,438	284,694	436,132
Fund Balances:			
Nonspendable	37,652	319	37,971
Restricted	12,525	-	12,525
Assigned for Subsequent Year's Budget	104,000	87,000	191,000
Assigned for Fund Purposes	665,313	234,778	900,091
Total Fund Balances	819,490	322,097	1,141,587
Total Liabilities and Fund Balances	\$ 970,928	\$ 606,791	\$ 1,577,719

TOWN OF CHESTER, NEW YORK
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HIGHWAY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Highway Fund - Town-Wide	Highway Fund - Town Outside Village	Total Highway Funds
Revenues:			
Real Property Taxes	\$ 1,353,922	\$ 1,005,576	\$ 2,359,498
Non Property and Allocated Tax Items	-	449,167	449,167
Intergovernmental Charges	61,776	1,270	63,046
Use of Money and Property	25,936	14,395	40,331
Licenses and Permits	-	100	100
Sale of Property and Compensation for Loss	15,275	2,924	18,199
Total Revenues	1,456,909	1,473,432	2,930,341
Expenditures:			
General Government	-	4,704	4,704
Transportation	488,602	1,005,641	1,494,243
Employee Benefits	316,689	417,619	734,308
Capital Outlay	153,402	-	153,402
Debt Service	210,130	-	210,130
Total Expenditures	1,168,823	1,427,964	2,596,787
Excess/(Deficiency) of Revenues Over Expenditures	288,086	45,468	333,554
Other Financing Sources/ (Uses):			
Operating Transfers In	70,182	-	70,182
Total Financing Sources/ (Uses)	70,182	-	70,182
Change in Fund Balances	358,268	45,468	403,736
Fund Balances - Beginning	476,630	276,629	753,259
Prior Period Adjustments (Note XIV)	(15,408)	-	(15,408)
Fund Balances - Beginning, as Restated	461,222	276,629	737,851
Fund Balances - Ending	\$ 819,490	\$ 322,097	\$ 1,141,587

**TOWN OF CHESTER, NEW YORK
SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2024**

	Original 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 12/31/2024	Due Within the Next Year
<u>BOND ANTICIPATION NOTES</u>										
Highway Garage	11/19	10/25	4.00%	\$ 570,000	\$ -	\$ 45,000	\$ 525,000	\$ 22,278	\$ 3,500	\$ 545,000
Equipment	11/20	10/25	4.00%	510,000	-	50,000	460,000	25,121	3,067	460,000
TOTAL BOND ANTICIPATION NOTES				1,080,000	-	95,000	985,000	47,399	6,567	1,005,000
<u>SERIAL BONDS</u>										
Refunding	2004	2025	2.00%	200,000	-	100,000	100,000	5,250	833	100,000
Senior Center	2018	2038	3.00%	1,204,247	-	64,657	1,139,590	37,264	19,943	66,678
SL PAC & Senior	2019	2034	3.50%	1,205,000	-	95,000	1,110,000	41,080	32,375	95,000
Police Building	2018	2038	3.00%	1,510,411	-	81,096	1,429,315	46,738	25,013	83,630
Water	2018	2038	3.00%	265,342	-	14,247	251,095	8,211	4,394	14,692
TOTAL SERIAL BONDS				4,385,000	-	355,000	4,030,000	138,543	82,558	360,000
<u>INSTALLMENT PURCHASE CONTRACTS</u>										
Freightliner VT802 Street Sweeper	04/01/19	04/01/24	4.00%	56,446	-	56,446	-	2,252	-	-
Caterpillar Wheel Loader 6717	06/17/19	06/17/24	4.00%	32,233	-	32,233	-	1,257	-	-
Caterpillar Wheel Loader 6830	06/17/20	06/17/25	4.00%	37,586	-	18,426	19,160	1,496	415	19,160
Tractor and Planer	03/25/22	03/25/25	4.00%	43,493	-	21,372	22,121	1,527	664	22,121
TOTAL INSTALLMENT PURCHASE CONTRACTS				169,758	-	128,477	41,281	6,532	1,079	41,281
TOTAL INDEBTEDNESS				\$ 5,634,758	\$ -	\$ 578,477	\$ 5,056,281	\$ 192,474	\$ 90,204	\$ 1,406,281

**OTHER REPORTING
REQUIRED BY
GOVERNMENT AUDITING
STANDARDS**



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 Chester
1786 Kings Highway
Chester, New York 10918

We have audited, in accordance with 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, each major fund and the aggregate remaining fund information of the Town of Chester, New York as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Chester’s basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Chester’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 of Chester’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Chester’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 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 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 which were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Chester' 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 is described in the accompanying schedule of findings as item 2024-001.

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

Newburgh, NY
June 26, 2025

**TOWN OF CHESTER, NEW YORK
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

A. Internal Control Finding

None noted.

B. Compliance Finding

Finding 2024-001 Mandatory Policies

Condition: The Town has not adopted all policies that are mandated under general municipal law.

Criteria: There are certain policies that are mandatory for local governments in New York State to adopt.

Cause: The Town was not aware of all the policies that are mandated under general municipal law.

Effect: The Town was not in compliance with general municipal law.

Recommendation: RBT recommends that the Town review and adopt all of the mandated policies.