

Town of Philipstown, New York

Financial Statements
and
Supplementary Information

Year Ended December 31, 2024

Town of Philipstown, New York

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Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Philipstown, New York**

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 Philipstown, New York ("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 respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the General, Town Outside Villages, Highway and Special Districts funds 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"). Our responsibilities under those standards are further described in the Auditors' 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 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, 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 judgement, 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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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.

Supplementary Information

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

August 18, 2025

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Town of Philipstown, New York

Management's Discussion and Analysis (MD&A) December 31, 2024

Introduction

As management of the Town of Philipstown, New York ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2024. It should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the Town's financial performance.

The MD&A for 2024 will contain a comparison of the financial statements for December 31, 2024 and 2023.

Financial Highlights

- ❖ On the government-wide financial statements, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the 2024 fiscal year by \$1,557,711.
- ❖ As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund deficit of \$1,434,664. Included in the ending fund balances is the Capital Projects Fund deficit of \$4,208,911 and the General Fund unassigned fund balance of \$166,411.
- ❖ At the end of the current fiscal year, the General Fund reflects a total fund balance of \$545,155, an increase of \$492,018 from 2023.
- ❖ There are bond anticipation notes outstanding at December 31, 2024 in the amount of \$5,082,281. These are reflected as liabilities in the Capital Project Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported

as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of revenues and expenditures, as well as on appropriated balances of funds available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Government-wide financial statements cover a broad spectrum of financial reporting. It is, therefore, more useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains six individual governmental funds: the General Fund, Town Outside Villages Fund, Highway Fund, Special Districts Fund, Capital Projects Fund and the Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for all funds. All funds are considered to be major funds.

The Town adopts annual budgets for the General Fund, Town Outside Villages Fund, Highway Fund and the Special Districts Fund. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains one type of fiduciary fund; a custodial fund. Resources are held in the Custodial Fund by the Town purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

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. The notes to the financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include schedules of budget to actual comparisons.

Government-Wide Financial Analysis

In accordance with GASB Statement No. 34, the Town is required to provide comparative analysis of government-wide information.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,557,711 at the close of the most recent fiscal year.

The following table reflects the condensed Statement of Net Position:

**Statement of Net Position
December 31,**

	<u>2024</u>	<u>2023</u>
Current Assets	\$ 5,916,860	\$ 4,992,095
Capital Assets, net	<u>15,229,216</u>	<u>15,029,053</u>
Total Assets	<u>21,146,076</u>	<u>20,021,148</u>
Deferred Outflows of Resources	<u>2,094,946</u>	<u>2,802,763</u>
Current Liabilities	7,497,161	7,181,895
Long-term Liabilities	<u>13,827,621</u>	<u>15,441,341</u>
Total Liabilities	<u>21,324,782</u>	<u>22,623,236</u>
Deferred Inflows of Resources	<u>3,473,951</u>	<u>2,727,322</u>
Net Position:		
Net investment in capital assets	10,972,511	10,664,873
Restricted	177,994	153,897
Unrestricted	<u>(12,708,216)</u>	<u>(13,345,417)</u>
Total Net Position	<u>\$ (1,557,711)</u>	<u>\$ (2,526,647)</u>

The largest portion of the Town's net position is its net investment in capital assets (land, buildings and improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire those assets. The Town uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The restricted net position of \$177,994 represent resources that are subject to external restrictions on their use. The restrictions are:

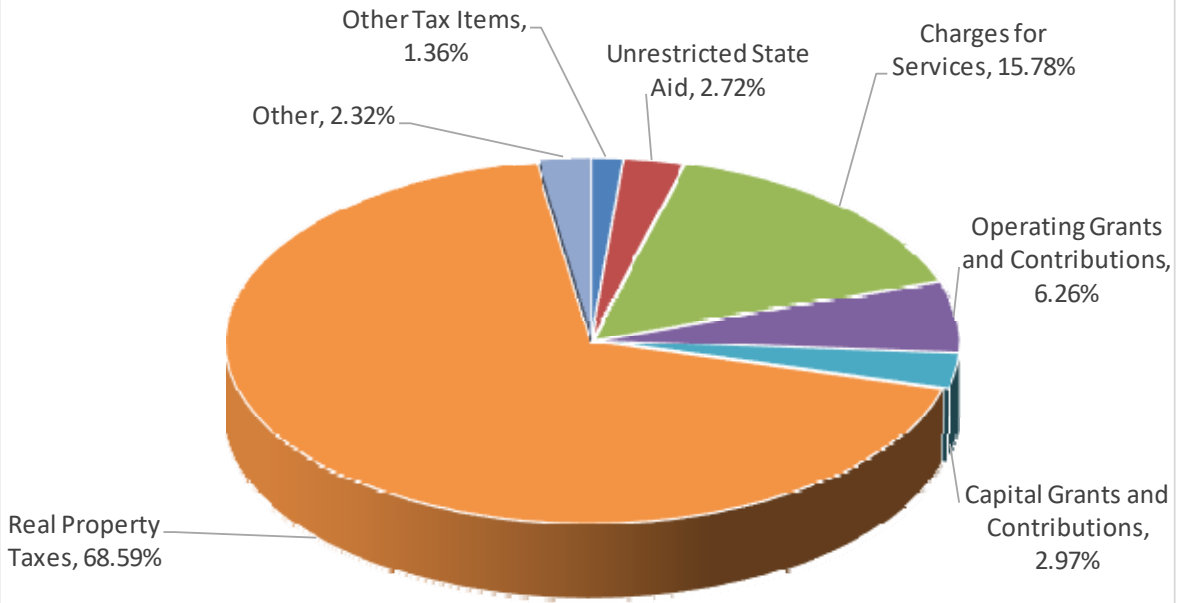
	<u>2024</u>	<u>2023</u>
Capital Projects	\$ 14,879	\$ 14,879
Acquisition of Parkland	5,871	5,719
Debt Service	109,411	96,337
Special Revenue Funds:		
Trusts	3,390	3,296
Parklands	<u>44,443</u>	<u>33,666</u>
	<u>\$ 177,994</u>	<u>\$ 153,897</u>

The remaining balance is a deficit in unrestricted net position of \$12,708,216.

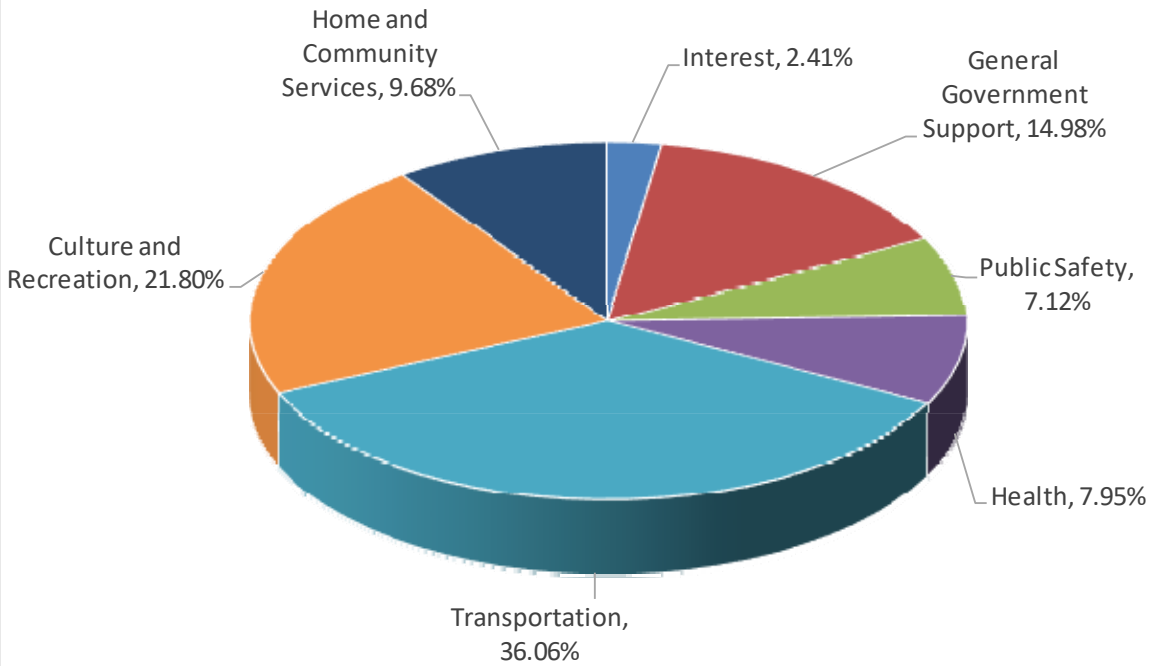
**Changes in Net Position
December 31,**

	2024	2023
REVENUES		
Program Revenues		
Charges for Services	\$ 1,795,601	\$ 1,558,473
Operating Grants and Contributions	712,693	859,243
Capital Grants and Contributions	338,074	2,038,588
General Revenues		
Real Property Taxes	7,805,945	7,150,935
Other Tax items	154,942	159,665
Unrestricted Use of Money and Property	75,194	34,763
Unrestricted State Aid	309,270	348,166
Miscellaneous	188,450	4,873
Total Revenues	11,380,169	12,154,706
EXPENSES		
Program Expenses		
General Government Support	1,559,482	2,729,183
Public Safety	740,814	741,179
Health	828,162	798,465
Transportation	3,754,776	4,040,230
Culture and Recreation	2,269,364	2,340,875
Home and Community Services	1,007,950	633,295
Interest	250,685	274,971
Total Expenses	10,411,233	11,558,198
Change in Net Position	968,936	596,508
NET POSITION		
Beginning	(2,526,647)	(3,123,155)
Ending	\$ (1,557,711)	\$ (2,526,647)

Sources of Revenue for Fiscal Year 2024



Expenses for Fiscal Year 2024



Governmental Activities

Governmental activities increased the Town's net position by \$968,936. For the fiscal year ended December 31, 2024, revenues from governmental activities totaled \$11,380,169. Tax revenues of \$7,805,945, comprised of real property taxes represents the largest revenue source (68.59%). Additionally, the Town recorded approximately \$188,450 of revenues in connection with an Intermunicipal Agreement with Putnam County. Overall revenues were down \$774,537 mainly due to the decrease in capital grants and contributions in 2024, which was offset by increases in the real property tax levy. The Town recognized \$1.8 million in revenues in 2023 for a one time capital grant for the Town Highway Garage capital project.

The largest components of governmental activities' expenses are transportation (36.06%), culture and recreation (21.80%) and general government support (14.98%).

Overall expenses were down \$1.1 million, mainly due to decrease in other postemployment benefit expenses.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund deficit of \$1,434,664. There is a deficit of approximately \$4,208,322 included in the ending unassigned fund balance mainly due to bond anticipation notes in the Capital Projects Fund. The restricted fund balance of \$541,859 is reserved to indicate that it is not available for new spending because it has already been committed for parklands and the acquisition of parklands (\$5,871), service awards (\$378,744).

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the General Fund reported a fund balance of \$545,155, of which \$166,411 is unassigned.

General Fund Budgetary Highlights

When the fiscal 2024 General Fund budget was adopted, there was no anticipated excess or deficit of revenues over expenditures. However, actual results of operations resulted in a excess of fund balance by \$492,018. Revenues were \$5,579,635, which was higher than the final budget by \$502,870 and mainly driven by State aid in the amount of \$153,838, \$188,450 of Miscellaneous revenue in connection with an Intermunicipal Agreement not included in the budget, and Use of money and property being greater than budget by \$111,819 driven by higher interest rates than anticipated. Expenditures were \$4,930,820, which were \$10,852 more than budgeted. There

were budget over-expenditures in Culture and recreation and Employee benefits. There were offsetting savings within in General government support primarily due to lower headcount.

The Capital Projects Fund has an unassigned deficit of \$4,208,322. An itemized project-length schedule of all projects can be found in this report. There are bond anticipation notes outstanding in the amount of \$5,082,281 to cover project deficits.

Capital Asset and Debt Administration

Capital Assets

The Town’s net capital assets for its governmental activities as of December 31, 2024, amount to \$15,229,216 (net of accumulated depreciation). This net capital assets includes land, construction in progress, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Depreciation)

	2024	2023
Land	\$ 3,953,642	\$ 3,953,642
Construction in Progress	325,000	-
Buildings and Improvements	8,327,264	8,432,885
Machinery and Equipment	1,320,988	1,292,006
Infrastructure	1,302,322	1,350,520
Total	\$ 15,229,216	\$ 15,029,053

Additional information on the Town’s capital assets can be found in Note 3 of this report.

Long-term Debt

At the end of the current fiscal year, the Town had no bonded indebtedness. As required by New York State Law, all bonds issued by the Town are backed by the full faith and credit of the Town.

Additional information on the Town’s long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town of Philipstown, New York’s finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to the Town Supervisor’s Office, Town of Philipstown, 238 Main Street, Cold Spring, New York 10516.

Town of Philipstown, New YorkStatement of Net Position
December 31, 2024**ASSETS**

Cash and equivalents	\$	4,732,097
Restricted cash		105,726
Investments		363,329
Receivables		
Accounts		88,095
State and Federal aid		280,601
Due from other governments		347,012
Capital assets		
Not being depreciated		4,278,642
Being depreciated, net		10,950,574
Total Assets		<u>21,146,076</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related		916,674
OPEB related		1,178,272
Total Deferred Outflows of Resources		<u>2,094,946</u>

LIABILITIES

Accounts payable		731,369
Accrued liabilities		105,677
Deposits payable		830,555
Due to other governments		5,219
Due to retirement system		236,674
Unearned revenues		359,749
Bond anticipation notes payable		5,082,281
Accrued interest payable		145,637
Non-current liabilities		
Due within one year		682,225
Due in more than one year		13,145,396
Total Liabilities		<u>21,324,782</u>

DEFERRED INFLOWS OF RESOURCES

Pension related		449,956
OPEB related		3,023,995
Total Deferred Inflows of Resources		<u>3,473,951</u>

NET POSITION

Net investment in capital assets		10,972,511
Restricted for		
Capital projects		14,879
Acquisition of parkland		5,871
Debt service		109,411
Trusts		3,390
Parklands		44,443
Unrestricted		<u>(12,708,216)</u>
Total Net Position	\$	<u><u>(1,557,711)</u></u>

The notes to the financial statements are an integral part of this statement.

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Town of Philipstown, New York

Statement of Activities
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government support	\$ 1,559,482	\$ 12,897	\$ 128,388	\$ -
Public safety	740,814	781,324	144	-
Health	828,162	-	46,625	-
Transportation	3,754,776	26,835	524,432	-
Culture and recreation	2,269,364	784,675	8,309	325,000
Home and community services	1,007,950	189,870	4,795	-
Interest	250,685	-	-	13,074
Total Governmental Activities	\$ 10,411,233	\$ 1,795,601	\$ 712,693	\$ 338,074
General revenues				
Real property taxes				7,805,945
Other tax items				
Interest and penalties on real property taxes				32,640
Cable TV franchise fees				122,302
Unrestricted use of money and property				75,194
Unrestricted State aid				309,270
Miscellaneous				188,450
Total General Revenues				8,533,801
Change in Net Position				968,936
NET POSITION				
Beginning				(2,526,647)
Ending				\$ (1,557,711)

The notes to financial statements are an integral part of this statement.

Town of Philipstown, New York

Balance Sheet
 Governmental Funds
 December 31, 2024

	General	Town Outside Villages	Highway	Special Districts
ASSETS				
Cash and equivalents	\$ 678,919	\$ 589,899	\$ 1,923,364	\$ 195,950
Restricted cash	-	-	105,726	-
Investments	363,329	-	-	-
Receivables				
Accounts	30,659	-	-	57,355
State and Federal aid	111,230	-	169,371	-
Due from other governments	-	20,220	1,792	-
Due from other funds	534,831	116	187,053	43,506
	<u>676,720</u>	<u>20,336</u>	<u>358,216</u>	<u>100,861</u>
Total Assets	<u>\$ 1,718,968</u>	<u>\$ 610,235</u>	<u>\$ 2,387,306</u>	<u>\$ 296,811</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 128,889	\$ 26,955	\$ 316,068	\$ 112,487
Accrued liabilities	-	-	105,677	-
Deposits payable	830,555	-	-	-
Due to other funds	119,351	40,189	48,049	67,044
Due to other governments	5,219	-	-	-
Due to retirement system	89,799	30,284	108,675	7,916
Unearned revenues	-	-	359,749	-
Bond anticipation notes payable	-	-	-	-
Total Liabilities	<u>1,173,813</u>	<u>97,428</u>	<u>938,218</u>	<u>187,447</u>
Fund balances (deficits)				
Restricted	378,744	-	-	5,871
Assigned	-	512,807	1,449,088	103,493
Unassigned	166,411	-	-	-
Total Fund Balances (Deficits)	<u>545,155</u>	<u>512,807</u>	<u>1,449,088</u>	<u>109,364</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,718,968</u>	<u>\$ 610,235</u>	<u>\$ 2,387,306</u>	<u>\$ 296,811</u>

The notes to financial statements are an integral part of this statement.

Capital Projects	Special Purpose	Total Governmental Funds
\$ 1,296,132	\$ 47,833	\$ 4,732,097
-	-	105,726
-	-	363,329
81	-	88,095
-	-	280,601
325,000	-	347,012
101,977	-	867,483
427,058	-	1,583,191
<u>\$ 1,723,190</u>	<u>\$ 47,833</u>	<u>\$ 6,784,343</u>
\$ 146,970	\$ -	\$ 731,369
-	-	105,677
-	-	830,555
592,850	-	867,483
-	-	5,219
-	-	236,674
-	-	359,749
5,082,281	-	5,082,281
5,822,101	-	8,219,007
109,411	47,833	541,859
-	-	2,065,388
(4,208,322)	-	(4,041,911)
(4,098,911)	47,833	(1,434,664)
<u>\$ 1,723,190</u>	<u>\$ 47,833</u>	<u>\$ 6,784,343</u>

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Town of Philipstown, New York

Reconciliation of the Governmental Funds

Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	<u>\$ (1,434,664)</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	4,278,642
Capital assets - depreciable	16,682,796
Accumulated depreciation	<u>(5,732,222)</u>
	<u>15,229,216</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	916,674
Deferred outflows - OPEB related	1,178,272
Deferred inflows - pension related	(449,956)
Deferred inflows - OPEB related	<u>(3,023,995)</u>
	<u>(1,379,005)</u>
Long-term liabilities that are not due and payable in the current period and therefore, are not reported in the funds.	
Accrued interest payable	(145,637)
Statutory installment bonds payable	(68,443)
Financed purchase debt	(292,702)
Landfill closure costs	(86,401)
Service awards payable	(378,744)
Compensated absences	(68,613)
Net pension liability	(833,816)
Total OPEB liability	<u>(12,098,902)</u>
	<u>(13,973,258)</u>
Net Position of Governmental Activities	<u>\$ (1,557,711)</u>

The notes to financial statements are an integral part of this statement.

Town of Philipstown, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2024

	General	Town Outside Villages	Highway	Special Districts
REVENUES				
Real property taxes	\$ 3,885,545	\$ 153,610	\$ 3,115,575	\$ 651,215
Other tax items	154,942	-	-	-
Departmental income	708,640	701,224	-	266,321
Intergovernmental charges	-	-	26,835	-
Use of money and property	121,819	-	69,044	8,034
Licenses and permits	2,481	-	-	-
Fines and forfeitures	80,100	-	-	-
State aid	437,658	-	334,263	-
Federal aid	-	-	119,073	-
Miscellaneous	188,450	144	2,052	4,199
Total Revenues	<u>5,579,635</u>	<u>854,978</u>	<u>3,666,842</u>	<u>929,769</u>
EXPENDITURES				
Current				
General government support	1,148,894	929	-	12,586
Public safety	24,362	241,647	-	366,673
Health	788,257	-	-	-
Transportation	210,232	-	2,355,384	-
Culture and recreation	1,559,765	-	-	199,933
Home and community services	47,250	297,423	-	241,000
Employee benefits	1,088,337	156,857	847,059	39,458
Debt service				
Principal	-	7,601	144,924	-
Interest	63,723	8,142	174,602	7,954
Capital outlay	-	-	-	-
Total Expenditures	<u>4,930,820</u>	<u>712,599</u>	<u>3,521,969</u>	<u>867,604</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>648,815</u>	<u>142,379</u>	<u>144,873</u>	<u>62,165</u>
OTHER FINANCING SOURCES (USES)				
Statutory installment bonds issued	-	-	-	-
Financed purchase debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(156,797)	(47,322)	(60,000)	(37,345)
Total Other Financing Sources (Uses)	<u>(156,797)</u>	<u>(47,322)</u>	<u>(60,000)</u>	<u>(37,345)</u>
Net Change in Fund Balances (Deficits)	492,018	95,057	84,873	24,820
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>53,137</u>	<u>417,750</u>	<u>1,364,215</u>	<u>84,544</u>
End of Year	<u>\$ 545,155</u>	<u>\$ 512,807</u>	<u>\$ 1,449,088</u>	<u>\$ 109,364</u>

The notes to financial statements are an integral part of this statement.

Capital Projects	Special Purpose	Total Governmental Funds
\$ -	\$ -	\$ 7,805,945
-	-	154,942
-	10,000	1,686,185
-	-	26,835
13,074	871	212,842
-	-	2,481
-	-	80,100
-	-	771,921
-	-	119,073
325,000	-	519,845
<u>338,074</u>	<u>10,871</u>	<u>11,380,169</u>
-	-	1,162,409
-	-	632,682
-	-	788,257
-	-	2,565,616
-	-	1,759,698
-	-	585,673
-	-	2,131,711
-	-	152,525
-	-	254,421
981,283	-	981,283
<u>981,283</u>	<u>-</u>	<u>11,014,275</u>
<u>(643,209)</u>	<u>10,871</u>	<u>365,894</u>
68,443	-	68,443
171,426	-	171,426
301,464	-	301,464
-	-	(301,464)
<u>541,333</u>	<u>-</u>	<u>239,869</u>
(101,876)	10,871	605,763
<u>(3,997,035)</u>	<u>36,962</u>	<u>(2,040,427)</u>
<u>\$ (4,098,911)</u>	<u>\$ 47,833</u>	<u>\$ (1,434,664)</u>

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Town of Philipstown, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 605,763</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	798,385
Depreciation expense	<u>(598,222)</u>
	<u>200,163</u>
<p>Bonds and financed purchase debt issued provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and financed purchase debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Statutory installment bonds issued	(68,443)
Financed purchase debt issued	(171,426)
Principal paid on financed purchase debt	<u>152,525</u>
	<u>(87,344)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	3,736
Service awards	(39,905)
Compensated absences	(9,634)
Changes in pension liabilities and related deferred outflows and inflows of resources	(100,469)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>396,626</u>
	<u>250,354</u>
Change in Net Position of Governmental Activities	<u><u>\$ 968,936</u></u>

The notes to financial statements are an integral part of this statement.

Town of Philipstown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Town Outside Villages, Highway and Special Districts Funds
Year Ended December 31, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,885,545	\$ 3,885,545	\$ 3,885,545	\$ -
Other tax items	159,000	159,000	154,942	(4,058)
Departmental income	652,400	652,400	708,640	56,240
Intergovernmental charges	-	-	-	-
Use of money and property	10,000	10,000	121,819	111,819
Licenses and permits	4,000	4,000	2,481	(1,519)
Fines and forfeitures	80,000	80,000	80,100	100
State aid	283,820	283,820	437,658	153,838
Federal aid	-	-	-	-
Miscellaneous	2,000	2,000	188,450	186,450
Total Revenues	<u>5,076,765</u>	<u>5,076,765</u>	<u>5,579,635</u>	<u>502,870</u>
EXPENDITURES				
Current				
General government support	1,223,758	1,223,758	1,148,894	74,864
Public safety	24,100	24,100	24,362	(262)
Health	787,190	787,190	788,257	(1,067)
Transportation	211,332	211,332	210,232	1,100
Economic opportunity and development	400	400	-	400
Culture and recreation	1,516,874	1,516,874	1,559,765	(42,891)
Home and community services	56,500	56,500	47,250	9,250
Employee benefits	1,036,091	1,036,091	1,088,337	(52,246)
Debt service				
Principal	-	-	-	-
Interest	63,723	63,723	63,723	-
Total Expenditures	<u>4,919,968</u>	<u>4,919,968</u>	<u>4,930,820</u>	<u>(10,852)</u>
Excess (Deficiency) of Revenues Over Expenditures	156,797	156,797	648,815	492,018
OTHER FINANCING USES				
Transfers out	(156,797)	(156,797)	(156,797)	-
Net Change in Fund Balances (Deficits)	-	-	492,018	492,018
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	53,137	53,137
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,155</u>	<u>\$ 545,155</u>

Town Outside Villages Fund				Highway Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 153,610	\$ 153,610	\$ 153,610	\$ -	\$ 3,115,575	\$ 3,115,575	\$ 3,115,575	\$ -
-	-	-	-	-	-	-	-
420,000	420,000	701,224	281,224	-	-	-	-
-	-	-	-	43,000	43,000	26,835	(16,165)
-	-	-	-	15,000	15,000	69,044	54,044
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	570,000	570,000	334,263	(235,737)
-	-	-	-	-	-	119,073	119,073
-	-	144	144	-	-	2,052	2,052
<u>573,610</u>	<u>573,610</u>	<u>854,978</u>	<u>281,368</u>	<u>3,743,575</u>	<u>3,743,575</u>	<u>3,666,842</u>	<u>(76,733)</u>
3,766	3,766	929	2,837	-	-	-	-
266,232	266,232	241,647	24,585	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,238,026	3,238,026	2,355,384	882,642
-	-	-	-	-	-	-	-
178,900	178,900	297,423	(118,523)	-	-	-	-
161,468	161,468	156,857	4,611	876,069	876,069	847,059	29,010
7,876	7,601	7,601	-	144,879	144,879	144,924	(45)
8,046	8,321	8,142	179	174,601	174,601	174,602	(1)
<u>626,288</u>	<u>626,288</u>	<u>712,599</u>	<u>(86,311)</u>	<u>4,433,575</u>	<u>4,433,575</u>	<u>3,521,969</u>	<u>911,606</u>
(52,678)	(52,678)	142,379	195,057	(690,000)	(690,000)	144,873	834,873
<u>(47,322)</u>	<u>(47,322)</u>	<u>(47,322)</u>	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
(100,000)	(100,000)	95,057	195,057	(750,000)	(750,000)	84,873	834,873
100,000	100,000	417,750	317,750	750,000	750,000	1,364,215	614,215
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,807</u>	<u>\$ 512,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,449,088</u>	<u>\$ 1,449,088</u>

(Continued)

Town of Philipstown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Continued)
General, Town Outside Villages, Highway and Special Districts Funds
Year Ended December 31, 2024

	Special Districts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 651,215	\$ 651,215	\$ 651,215	\$ -
Other tax items	-	-	-	-
Departmental income	264,355	264,355	266,321	1,966
Intergovernmental charges	-	-	-	-
Use of money and property	850	850	8,034	7,184
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
State aid	-	-	-	-
Federal aid	-	-	-	-
Miscellaneous	2,500	2,500	4,199	1,699
Total Revenues	<u>918,920</u>	<u>918,920</u>	<u>929,769</u>	<u>10,849</u>
EXPENDITURES				
Current				
General government support	10,955	10,955	12,586	(1,631)
Public safety	369,857	369,857	366,673	3,184
Health	-	-	-	-
Transportation	-	-	-	-
Economic opportunity and development	-	-	-	-
Culture and recreation	193,500	193,500	199,933	(6,433)
Home and community services	310,800	310,800	241,000	69,800
Employee benefits	38,500	38,500	39,458	(958)
Debt service				
Principal	-	-	-	-
Interest	8,127	8,127	7,954	173
Total Expenditures	<u>931,739</u>	<u>931,739</u>	<u>867,604</u>	<u>64,135</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,819)	(12,819)	62,165	74,984
OTHER FINANCING SOURCES (USES)				
Transfers out	(37,181)	(37,181)	(37,345)	(164)
Net Change in Fund Balances (Deficits)	(50,000)	(50,000)	24,820	74,820
FUND BALANCES (DEFICITS)				
Beginning of Year	50,000	50,000	84,544	34,544
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,364</u>	<u>\$ 109,364</u>

The notes to financial statements are an integral part of this statement.

Town of Philipstown, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 8,950,921
DEDUCTIONS	
Payments of real property taxes to other governments	<u>8,950,921</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

The notes to financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Town of Philipstown, New York (“Town”) was established in 1813 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town’s reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Town Outside Villages Fund - The Town Outside Villages Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the villages located within the Town. The major revenues of this fund are real property taxes and departmental income.

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and State aid.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's fire protection, water and park districts. The major revenues of this fund are real property taxes and departmental income.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with grantor or contributor stipulations.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town on behalf of others. The Custodial Fund is used to account for taxes collected for other governments.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as is the Fiduciary Fund. 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 for 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to landfill closure costs, compensated absences, service awards, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments (except Ambulance Service Awards Sub-Fund, which are discussed in Note 3D) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*" directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized

Note 1 - Summary of Significant Accounting Policies (Continued)

by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2024.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Restricted Cash – Restricted cash of \$105,726 in the Highway Fund consists of monies held for a finance purchase agreement to be used for the purchase of a vehicle.

Taxes Receivable - Property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway, special districts and fire districts taxes which are due January 1st and payable without penalty to January 31st. The Town retains the total amount of town, highway and special districts levies from the total collections and returns the balance plus the uncollected items to Putnam County, New York which assumes collection responsibility.

County and fire district taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*" and therefore have been accounted for within the Custodial Fund.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Note 1 - Summary of Significant Accounting Policies (Continued)

Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Building and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$359,749 for Federal Emergency Management Assistance received in advance in the Highway Fund. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3D.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Town's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The Town utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences liability that matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

Net Pension Liability (Asset) - The net pension liability (asset) represents the Town's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No.68.*"

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for capital projects, acquisition of parkland, debt service, trusts and parklands.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (prepaid amounts) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Supervisor for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Town Outside Villages, Highway and Special Districts funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 18, 2025.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to September 30th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- c) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board then files the preliminary budget with the Town Clerk, where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- d) At the public hearing, taxpayers may comment on the preliminary budget.
- e) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- f) Formal budgetary integration is employed during the year as a management control device for General, Town Outside Villages, Highway and Special Districts funds.
- g) Budgets for General, Town Outside Villages, Highway and Special Districts funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General, Town Outside Villages, Highway and Special Districts funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitation

Under New York State Town Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of two percent or the "Inflation Factor" provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the percentage change in the twelve month average National Consumer Price Indexes determined by the United States Department of Labor calculated six months before the start of the new fiscal year.

The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Fund Deficits

The following sub-funds in the Special Districts Fund had fund deficits at December 31, 2024:

Garrison Landing Water District	\$	28,381
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The unassigned and total deficits in the Capital Projects Fund of \$4,208,322 and \$4,098,911 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

The deficit in excess of the bond anticipation note outstanding in the Dahlia Annex project of \$17,872 is caused by expenditures exceeding current financing. The deficit in the Garrison Landing Water District Well Project deficit of \$326,464 is caused by expenditures exceeding current financing. The Town intends on issuing bond anticipation notes to relieve this deficit.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Expenditures in Excess of Budget

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

General Fund	
General Government Support	
Town Justice	\$ 26,006
Auditor	7,300
Tax collection	2,513
Town clerk	4,728
Town attorney	6,637
Central services	4,761
Data processing	4,169
Unallocated insurance	8,858
Municipal association dues	150
Judgments and claims	1,517
Public Safety	
Traffic Control	262
Culture and Recreation	
Recreation administration	38,996
Recreation for the elderly	4,495
Employee Benefits	
Social security	3,961
Disability	3,009
Health Insurance	64,292
Town Outside Villages Fund	
Home and Community Services	118,523
Highway Fund	
Debt Service	
Principal	45
Interest	1
Special Districts	
General Government Support	1,631
Culture and Recreation	6,433
Employee Benefits	958
Transfers out	164

In addition, the General Fund- Sub -Fund exceeded its budgetary authorization in total in the amount of \$4,132 and the Town Outside Villages Fund exceeded its budgetary authorization by \$86,311.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. New Accounting Pronouncement

GASB Statement No. 101, “*Compensated Absences*”, established guidance for measuring the liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. Measurement for the liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. The requirements of GASB Statement No. 101 are effective for the Town’s fiscal year ended December 31, 2024. The Town has completed its evaluation of the financial impact of GASB Statement No. 101 and determined that the implementation of this standard did not have a material impact on its financial statements.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2024 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 534,831	\$ 119,351
Town Outside Villages	116	40,189
Highway	187,053	48,049
Special Districts	43,506	67,044
Capital Projects	101,977	592,850
	<u>\$ 867,483</u>	<u>\$ 867,483</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

B. Capital Assets

Changes in the Town’s capital assets are as follows:

	<u>Balance January 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2024</u>
Capital Assets, not being depreciated -				
Land	\$ 3,953,642	\$ -	\$ -	\$ 3,953,642
Construction in Progress	-	325,000	-	325,000
Total Capital Assets, not being Depreciated	<u>\$ 3,953,642</u>	<u>\$ 325,000</u>	<u>\$ -</u>	<u>\$ 4,278,642</u>

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Capital Assets, being depreciated:				
Buildings and improvements	\$ 10,127,440	\$ 203,758	\$ -	\$ 10,331,198
Machinery and equipment	3,515,450	269,627	-	3,785,077
Infrastructure	2,566,521	-	-	2,566,521
Total Capital Assets, being depreciated	16,209,411	473,385	-	16,682,796
Less Accumulated Depreciation for:				
Buildings and improvements	1,694,555	309,379	-	2,003,934
Machinery and equipment	2,223,444	240,645	-	2,464,089
Infrastructure	1,216,001	48,198	-	1,264,199
Total Accumulated Depreciation	5,134,000	598,222	-	5,732,222
Total Capital Assets, being Depreciated, net	\$ 11,075,411	\$ (124,837)	\$ -	\$ 10,950,574
Capital Assets, net	\$ 15,029,053	\$ 200,163	\$ -	\$ 15,229,216

Depreciation expense was charged to the Town’s functions and programs as follows:

General Government Support	\$ 122,988
Transportation	340,865
Culture and Recreation	86,158
Home and Community Services	48,211
Total Depreciation Expense	\$ 598,222

C. Short-Term Capital Borrowings - Bond Anticipation Notes

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2024	New Issues	Redemptions	Balance December 31, 2024
Garrison Landing Water District	2009	08/01/25	6.85 %	\$ 94,110	\$ -	\$ 13,595	\$ 80,515
Cortlandt Lake Dam	2009			23,750	-	23,750	-
Cortlandt Lake Dam	2024	12/19/25	4.25	-	125,500	-	125,500
Dahlia Annex	2017			115,765	-	115,765	-
Town Hall Renovation	2020	01/17/25	4.50	1,593,063	-	156,797	1,436,266
Highway Garage Renovations	2022	7/2/2025	4.57	3,500,000	-	60,000	3,440,000
				\$ 5,326,688	\$ 125,500	\$ 369,907	\$ 5,082,281

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations generally within seven years after the original issue date. However, bond anticipation notes 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.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$245,333 were recorded in the fund financial statements in the following funds.

<u>Fund</u>	<u>Amount</u>
General	\$ 63,723
Highway	165,789
Town Outside Villages	7,867
Special Districts	<u>7,954</u>
	<u>\$ 245,333</u>

Interest expense of \$240,406 was recorded in the government-wide financial statements.

D. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2024:

	<u>Balance January 1, 2024</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2024</u>	<u>Due Within One Year</u>
Statutory Installment Bonds Payable	\$ -	\$ 68,443	\$ -	\$ 68,443	\$ 34,200
Financed Purchase Debt	273,801	171,426	152,525	292,702	141,125
Other Non-Current Liabilities:					
Landfill Closure Costs	86,401	-	-	86,401	-
Service Awards Payable	338,839	49,532	9,627	378,744	-
Compensated Absences	58,979	9,634	-	68,613	* 6,900
Net Pension Liability	1,214,861	-	381,045	833,816	-
Other Postemployment Benefit Liability	<u>13,468,460</u>	<u>1,057,970</u>	<u>2,427,528</u>	<u>12,098,902</u>	<u>500,000</u>
Total Other Non-Current Liabilities	<u>15,167,540</u>	<u>1,117,136</u>	<u>2,818,200</u>	<u>13,466,476</u>	<u>506,900</u>
Total Long-Term Liabilities	<u>\$ 15,441,341</u>	<u>\$ 1,357,005</u>	<u>\$ 2,970,725</u>	<u>\$ 13,827,621</u>	<u>\$ 682,225</u>

* The change in compensated absences liability is presented as a net change.

Each governmental fund's liability for statutory installments bonds, financed purchase debt, landfill closure costs, service awards, compensated absences, net pension liability and other postemployment benefit liabilities is liquidated by the respective fund.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Statutory Installment Bonds Payable

Statutory installment bonds payable at December 31, 2024 is comprised of the following issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at December 31, 2024</u>
Dahlia House	2024	\$ 68,443	September, 2026	6.55 %	<u>\$ 68,443</u>

There were no interest expenditures in the fund financial statements. Interest expense of \$1,191 was recorded in the government-wide financial statements.

Financed Purchase Debt

The Town entered into various agreements between 2020 and 2024 to finance the acquisition of various equipment. The leases meet the criteria of financed purchase debt as defined by GASB guidance. The agreements provide for annual payments at varying interest rates. The balance due at December 31, 2024 was \$292,702.

Interest expenditures of \$8,813 and \$275 were recorded in the fund financial statements in the Highway and Town Outside Villages funds and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize bonds and financed purchase debt outstanding as of December 31, 2024 including interest payments of \$31,580 are as follows:

<u>Year Ended December 31,</u>	<u>Statutory Installment Bonds</u>		<u>Financed Purchase Debt</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 34,200	\$ 4,483	\$ 141,125	\$ 12,614	\$ 175,325	\$ 17,097
2026	34,243	2,243	81,291	6,430	115,534	8,673
2027	-	-	34,188	3,839	34,188	3,839
2028	-	-	36,098	1,971	36,098	1,971
	<u>\$ 68,443</u>	<u>\$ 6,726</u>	<u>\$ 292,702</u>	<u>\$ 24,854</u>	<u>\$ 361,145</u>	<u>\$ 31,580</u>

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property.

Landfill Closure Costs

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$86,401 reported as a landfill closure costs liability at

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

December 31, 2024 represents an estimated amount based on the use of 100% of the landfill capacity less the actual expenditures to date. Actual costs may be higher due to inflation, changes in technology or changes in regulation. The liability for landfill closure costs has been reflected in the government-wide financial statements.

Compensated Absences

Town employees may accumulate vacation time. Upon separation of service, accumulated vacation time is paid at the current salary level. Town employees are not compensated for unused sick leave. The value of compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") which is commonly referred to as the New York State and Local Retirement System ("System"). This is a cost-sharing, multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Employees who joined ERS before January 1, 2010 contribute 3% of their salary for the first ten years of membership while those who joined on or after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14 41J	17.8%
	4 A15 41J	17.8
	5 A15 41J	15.3
	6 A15 41J2	11.3

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2024, the Town reported the following for its proportionate share of the net pension liability for ERS:

	<u>ERS</u>	
Measurement date	March 31, 2024	
Net pension liability	\$	833,816
Town's proportion of the net pension liability		0.0056630 %
Change in proportion since the prior measurement date		(0.0000023) %

The net pension liability was measured as of March 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2024, the Town recognized pension expense in the government-wide financial statements of \$400,960 for ERS. Pension expenditures of \$300,491 for ERS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 131,009
Town Outside Villages	32,404
Highway	135,526
Special Districts	1,552
	<u>\$ 300,491</u>

At December 31, 2024, the Town reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 268,571	\$ 22,736
Changes of assumptions	315,247	-
Net difference between projected and actual earnings on pension plan investments	-	407,315
Changes in proportion and differences between Town contributions and proportionate share of contributions	96,182	19,905
Town contributions subsequent to the measurement date	<u>236,674</u>	<u>-</u>
	<u>\$ 916,674</u>	<u>\$ 449,956</u>

Town of Philipstown, New York

Notes to Financial Statements (Continued)
 December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The \$236,674 reported as deferred outflows of resources related to ERS result from the Town’s accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>ERS</u>
2025	\$ (125,317)
2026	184,931
2027	252,115
2028	<u>(81,685)</u>
	<u>\$ 230,044</u>

The total pension liability for the ERS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2024
Actuarial valuation date	April 1, 2023
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.9%
Cost of living adjustments	1.5%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Town of Philipstown, New York

Notes to Financial Statements (Continued)
 December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>1</u>	0.25
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

The discount rate used to calculate the total pension liability was 5.9%. 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 determined. Based upon those 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.

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	<u>1% Decrease (4.9%)</u>	<u>Current Discount Rate (5.9%)</u>	<u>1% Increase (6.9%)</u>
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,621,603</u>	<u>\$ 833,816</u>	<u>\$ (659,357)</u>

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2024 measurement date were as follows:

	<u>ERS</u>
Total pension liability	\$ 240,696,851,000
Fiduciary net position	<u>225,972,801,000</u>
Employers' net pension liability (asset)	<u>\$ 14,724,050,000</u>
Fiduciary net position as a percentage of total pension liability	<u>93.88%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2024 represent the employer contribution for the period of April 1, 2024 through December 31, 2024 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2024 were \$236,674.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Defined Contribution - Service Award Program

The Town, pursuant to Article 11-AA of General Municipal Law and legislative resolution, has established a Service Award Program ("Program") for volunteer members of the Philipstown Volunteer Ambulance Corporation and the Garrison Volunteer Ambulance Corporation. This Program is a single employer defined contribution plan. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant upon attainment of entitlement age (the later of age 55 or the participant's age after earning five years of service credit) shall be able to receive their service award, payable in the form of a lump sum distribution. The Program also provides disability and death benefits. The trustee of the Program, which has been designated by the State Comptroller, is authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Town from the General Fund. Separate financial statements are not issued by the Program.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The trust assets are recorded in the General Fund as investments and as a component of Restricted fund balance. On the Statement of Net Position, this amount is classified as a liability to the beneficiaries.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Assets of the Service Award Program consist of the following at December 31, 2024:

	<u>% of Total</u>		
Cash and equivalents	4.07 %	\$	15,415
Common stock	44.26		167,632
Mutual funds	51.67		<u>195,697</u>
		<u>\$</u>	<u>378,744</u>

The investments above in common stock and mutual funds are measured using level 1 inputs.

The Town's obligation to continue funding is governed by New York State Law and Program provisions. The Town contributed \$2,907 in 2024.

Other Postemployment Benefit Liabilities (“OPEB”)

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

As of the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	27
Active employees	<u>32</u>
	<u>59</u>

The Town’s total OPEB liability of \$12,098,902 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%
Discount rate	4.28%
Healthcare cost trend rates	7.0%, decreasing by .5% per year to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	0%-15% for NYSHIP / State Empire medical depending on year hired and bargaining unit premiums

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate was based on the S&P 20-year AA Municipal Bond Index.

Mortality rates were based on the PUB 2010 Mortality Tables with MP-2021 projection.

The Town's change in the total OPEB liability for the year ended December 31, 2024 is as follows:

Total OPEB Liability - Beginning of Year	\$ 13,468,460
Service cost	529,089
Interest	528,881
Changes of benefit terms	-
Differences between expected and actual experience	(1,287,150)
Changes in assumptions or other inputs	(647,514)
Benefit payments	<u>(492,864)</u>
 Total OPEB Liability - End of Year	 <u>\$ 12,098,902</u>

The following 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 (3.28%) or 1 percentage point higher (5.28%) than the current discount rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	<u>\$ 13,713,656</u>	<u>\$ 12,098,902</u>	<u>\$ 10,765,130</u>

The following 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 healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 10,700,803</u>	<u>\$ 12,098,902</u>	<u>\$ 13,809,709</u>

For the year ended December 31, 2024, the Town recognized OPEB expense of \$96,238 in the government-wide financial statements. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 340,710	\$ 2,058,632
Differences between expected and actual experience	<u>837,562</u>	<u>965,363</u>
	<u>\$ 1,178,272</u>	<u>\$ 3,023,995</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	
2025	\$ (824,642)
2026	(824,643)
2027	<u>(196,438)</u>
	<u>\$ (1,845,723)</u>

E. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers Out</u>	<u>Transfers In Capital Projects Fund</u>
General Fund	\$ 156,797
Town Outside Village Fund	47,322
Highway Fund	60,000
Special Districts Fund	<u>37,345</u>
	<u>\$ 301,464</u>

Transfers are used to move amounts from the fund with collection authorization to the Capital Projects Fund for bond anticipation note principal payments.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Acquisition of Parkland - the component of net position that has been established pursuant to New York State Law. These amounts represents funds received from the sale of parkland and may be used only for the acquisition of parkland.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the Local Finance Law of the State of New York.

Restricted for Trusts - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statutes.

Restricted for Parklands - the component of net position that has been established pursuant to Section 277 of Town Law. This amount represents funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Town Outside Villages Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Special Purpose Fund	Total
Restricted							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 109,411	\$ -	\$ 109,411
Service Awards	378,744	-	-	-	-	-	378,744
Acquisition of parkland	-	-	-	5,871	-	-	5,871
Trusts	-	-	-	-	-	3,390	3,390
Parklands	-	-	-	-	-	44,443	44,443
Total Restricted	378,744	-	-	5,871	109,411	47,833	541,859
Assigned							
Subsequent year's expenditures	-	125,000	400,000	30,000	-	-	555,000
Major Funds	-	387,807	1,049,088	73,493	-	-	1,510,388
Total Assigned	-	512,807	1,449,088	103,493	-	-	2,065,388
Unassigned	166,411	-	-	-	(4,208,322)	-	(4,041,911)
Total Fund Balances (Deficits)	\$ 545,155	\$ 512,807	\$ 1,449,088	\$ 109,364	\$ (4,098,911)	\$ 47,833	\$ (1,434,664)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Restricted for Service Awards - The component of fund balance that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York.

Assigned for Special Revenue Funds - the component of fund balance that represents funds assigned for specific purposes.

Subsequent year's expenditures represent that at December 31, 2024, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects Fund and Special Districts Fund represents the deficit balances in the funds.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, malicious prosecution, false imprisonment or personal injury. Of the claims pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

Town of Philipstown, New York

Notes to Financial Statements (Continued)
December 31, 2024

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town is also defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. The amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases various conventional insurance coverages to reduce its exposure to loss. The public officials and law enforcement liability and general liability policies provide coverage of \$1 million per claim and \$2 million in the aggregate. In addition, the Town maintains an umbrella policy with a limit of \$5 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town also purchases conventional medical and workers' compensation coverage.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. Accordingly, the Town's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Subsequent Events

The Town on January 18, 2024, issued a bond anticipation note in the amount of \$1,436,266 which was used to renew currently outstanding bond anticipation notes. The note matures on January 17, 2025 and bears an interest rate of 4.50% per annum.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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Town of Philipstown, New York

Notes to Financial Statements (Concluded)
December 31, 2024

Note 6 - Recently Issued GASB Pronouncements (Continued)

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them if applicable and when material.

Town of Philipstown, New York

Required Supplementary Information - Schedule of Changes in the
Town's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2024	2023	2022
Total OPEB Liability:			
Service cost	\$ 529,089	\$ 440,070	\$ 673,759
Interest	528,881	487,528	312,826
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,287,150)	868,286	791,475
Changes of assumptions or other inputs	(647,514)	567,850	(3,932,491)
Benefit payments	(492,864)	(413,670)	(461,077)
Net Change in Total OPEB Liability	(1,369,558)	1,950,064	(2,615,508)
Total OPEB Liability – Beginning of Year	13,468,460	11,518,396	14,133,904
Total OPEB Liability – End of Year	<u>\$ 12,098,902</u>	<u>\$ 13,468,460</u>	<u>\$ 11,518,396</u>
Town's covered-employee payroll	<u>\$ 1,977,784</u>	<u>\$ 1,965,722</u>	<u>\$ 1,871,031</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>611.74%</u>	<u>685.17%</u>	<u>615.62%</u>
Discount rate	<u>4.28%</u>	<u>4.00%</u>	<u>4.31%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report.

	2021	2020	2019	2018
\$	683,054	\$ 548,487	\$ 525,317	\$ 570,414
	265,914	357,288	381,967	391,705
	-	-	-	-
	168,351	(90,617)	(834,559)	(962,089)
	(596,474)	2,303,765	654,204	-
	(329,708)	(271,831)	(249,713)	(285,412)
	191,137	2,847,092	477,216	(285,382)
	13,942,767	11,095,675	10,618,459	10,903,841 (3)
\$	<u>14,133,904</u>	<u>\$ 13,942,767</u>	<u>\$ 11,095,675</u>	<u>\$ 10,618,459</u>
\$	<u>1,924,186</u>	<u>\$ 1,909,912</u>	<u>\$ 2,043,419</u>	<u>\$ 1,916,910</u>
	<u>734.54%</u>	<u>730.02%</u>	<u>543.00%</u>	<u>553.94%</u>
	<u>2.25%</u>	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

Town of Philipstown, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years

Schedule of the Town's Proportionate Share of Net Pension Liability (Asset) (1)

	2024 (3)	2023 (2)	2022 (3)	2021 (3)
Town's proportion of the net pension liability (asset)	<u>0.0056630%</u>	<u>0.0056653%</u>	<u>0.0060201%</u>	<u>0.0057379%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 833,816</u>	<u>\$ 1,214,861</u>	<u>\$ (492,118)</u>	<u>\$ 5,713</u>
Town's covered payroll	<u>\$ 2,262,799</u>	<u>\$ 2,252,860</u>	<u>\$ 2,152,506</u>	<u>\$ 2,121,666</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>36.85%</u>	<u>53.93%</u>	<u>-22.86%</u>	<u>0.27%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>
Discount rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	\$ 315,564	\$ 271,097	\$ 224,163	\$ 311,315
Contributions in relation to the contractually required contribution	<u>(315,564)</u>	<u>(271,097)</u>	<u>(224,163)</u>	<u>(311,315)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 2,288,666</u>	<u>\$ 2,233,619</u>	<u>\$ 2,096,391</u>	<u>\$ 2,095,301</u>
Contributions as a percentage of covered payroll	<u>13.79%</u>	<u>12.14%</u>	<u>10.69%</u>	<u>14.86%</u>

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(2) Increase in the Town's proportionate share of the net pension liability (asset) mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the Town's proportionate share of the net pension liability (asset) mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.0061062%</u>	<u>0.0059926%</u>	<u>0.0060513%</u>	<u>0.0058247%</u>	<u>0.0066238%</u>	<u>0.0063976%</u>
<u>\$ 1,616,948</u>	<u>\$ 424,591</u>	<u>\$ 195,303</u>	<u>\$ 547,302</u>	<u>\$ 1,063,131</u>	<u>\$ 216,128</u>
<u>\$ 2,029,499</u>	<u>\$ 2,105,963</u>	<u>\$ 1,979,985</u>	<u>\$ 1,886,675</u>	<u>\$ 1,784,588</u>	<u>\$ 1,825,935</u>
<u>79.67%</u>	<u>20.16%</u>	<u>9.86%</u>	<u>29.01%</u>	<u>59.57%</u>	<u>11.84%</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 286,421</u>	<u>\$ 285,071</u>	<u>\$ 269,552</u>	<u>\$ 264,991</u>	<u>\$ 327,529</u>	<u>\$ 362,262</u>
<u>(286,421)</u>	<u>(285,071)</u>	<u>(269,552)</u>	<u>(264,991)</u>	<u>(327,529)</u>	<u>(362,262)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,097,064</u>	<u>\$ 2,184,008</u>	<u>\$ 2,067,888</u>	<u>\$ 1,958,506</u>	<u>\$ 1,865,511</u>	<u>\$ 1,863,957</u>
<u>13.66%</u>	<u>13.05%</u>	<u>13.04%</u>	<u>13.53%</u>	<u>17.56%</u>	<u>19.44%</u>

Town of Philipstown, New York

General Fund
 Combining Balance Sheet - Sub-Funds
 December 31, 2024

	General	Ambulance Service Awards Program	Totals
ASSETS			
Cash and equivalents	\$ 663,504	\$ 15,415	\$ 678,919
Investments	-	363,329	363,329
Accounts receivable	30,659	-	30,659
State and Federal aid receivable	111,230	-	111,230
Due from other funds	534,831	-	534,831
	<u>534,831</u>	<u>-</u>	<u>534,831</u>
Total Assets	<u>\$ 1,340,224</u>	<u>\$ 378,744</u>	<u>\$ 1,718,968</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 128,889	\$ -	\$ 128,889
Deposits payable	830,555	-	830,555
Due to other funds	119,351	-	119,351
Due to other governments	5,219	-	5,219
Due to retirement system	89,799	-	89,799
	<u>89,799</u>	<u>-</u>	<u>89,799</u>
Total Liabilities	<u>1,173,813</u>	<u>-</u>	<u>1,173,813</u>
Fund balances			
Restricted	-	378,744	378,744
Unassigned	166,411	-	166,411
	<u>166,411</u>	<u>-</u>	<u>166,411</u>
Total Fund Balances	<u>166,411</u>	<u>378,744</u>	<u>545,155</u>
Total Liabilities and Fund Balances	<u>\$ 1,340,224</u>	<u>\$ 378,744</u>	<u>\$ 1,718,968</u>

See independent auditors' report.

Town of Philipstown, New York

General Fund

Combining Schedules of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds

Year Ended December 31, 2024

	General	Ambulance Service Awards Program	Eliminations	Totals
REVENUES				
Real property taxes	\$ 3,885,545	\$ -	\$ -	\$ 3,885,545
Other tax items	154,942	-	-	154,942
Departmental income	708,640	2,907	(2,907)	708,640
Use of money and property	75,194	46,625	-	121,819
Licenses and permits	2,481	-	-	2,481
Fines and forfeitures	80,100	-	-	80,100
State aid	437,658	-	-	437,658
Miscellaneous	188,450	-	-	188,450
Total Revenues	<u>5,533,010</u>	<u>49,532</u>	<u>(2,907)</u>	<u>5,579,635</u>
EXPENDITURES				
Current				
General government support	1,148,894	-	-	1,148,894
Public safety	24,362	-	-	24,362
Health	781,537	9,627	(2,907)	788,257
Transportation	210,232	-	-	210,232
Culture and recreation	1,559,765	-	-	1,559,765
Home and community services	47,250	-	-	47,250
Employee benefits	1,088,337	-	-	1,088,337
Debt service				
Interest	63,723	-	-	63,723
Total Expenditures	<u>4,924,100</u>	<u>9,627</u>	<u>(2,907)</u>	<u>4,930,820</u>
Excess (Deficiency) of Revenues Over Expenditures	608,910	39,905	-	648,815
OTHER FINANCING USES				
Transfers out	(156,797)	-	-	(156,797)
Net Change in Fund Balances	452,113	39,905	-	492,018
FUND BALANCES				
Beginning of Year	<u>(285,702)</u>	<u>338,839</u>	<u>-</u>	<u>53,137</u>
End of Year	<u>\$ 166,411</u>	<u>\$ 378,744</u>	<u>\$ -</u>	<u>\$ 545,155</u>

See independent auditors' report.

Town of Philipstown, New York

General Fund

Schedule of Revenues Compared to Budget - Sub-Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 3,885,545	\$ 3,885,545	\$ 3,885,545	\$ -
OTHER TAX ITEMS				
Interest and penalties on real property taxes	27,000	27,000	32,640	5,640
Cable television franchise fees	132,000	132,000	122,302	(9,698)
	159,000	159,000	154,942	(4,058)
DEPARTMENTAL INCOME				
Town Clerk fees	8,400	8,400	10,416	2,016
Parks and recreation fees	640,000	640,000	694,252	54,252
Refuse and garbage charges	4,000	4,000	3,972	(28)
	652,400	652,400	708,640	56,240
USE OF MONEY AND PROPERTY				
Earnings on investments	10,000	10,000	75,194	65,194
LICENSES AND PERMITS				
Dog licenses	4,000	4,000	2,481	(1,519)
FINES AND FORFEITURES				
Fines and forfeited bail	80,000	80,000	80,100	100

STATE AID

Mortgage tax	250,000	250,000	273,084	23,084
Aid and incentives to municipalities	33,820	33,820	33,820	-
Temporary aid to municipalities	-	-	2,366	2,366
Other	-	-	128,388	128,388
	<u>283,820</u>	<u>283,820</u>	<u>437,658</u>	<u>153,838</u>

MISCELLANEOUS

Unclassified	2,000	2,000	-	(2,000)
Local aid - Putnam County	-	-	188,450	188,450
	<u>2,000</u>	<u>2,000</u>	<u>188,450</u>	<u>186,450</u>

TOTAL REVENUES

	<u>\$ 5,076,765</u>	<u>\$ 5,076,765</u>	<u>\$ 5,533,010</u>	<u>\$ 456,245</u>
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See independent auditors' report.

Town of Philipstown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT SUPPORT				
Town Board	\$ 124,499	\$ 124,499	\$ 121,249	\$ 3,250
Town Justice	181,500	181,500	207,506	(26,006)
Supervisor	139,462	139,462	138,360	1,102
Auditor	41,200	41,200	48,500	(7,300)
Budget Director	23,500	23,500	23,500	-
Tax collection	3,000	3,000	5,513	(2,513)
Assessor	104,925	104,925	96,030	8,895
Board of Assessment Review	1,325	1,325	1,078	247
Town Clerk	145,160	145,160	149,888	(4,728)
Town Attorney	70,000	70,000	76,637	(6,637)
Property records management	1,500	1,500	1,500	-
Buildings	250,000	250,000	142,771	107,229
Central services	19,000	19,000	23,761	(4,761)
Data processing	7,500	7,500	11,669	(4,169)
Unallocated insurance	55,000	55,000	63,858	(8,858)
Municipal association dues	1,350	1,350	1,500	(150)
Metropolitan commuter transportation mobility tax	5,000	5,000	4,470	530
Recovery Funds (COVID-19)	20,000	20,000	-	20,000
Safety clerk	25,837	25,837	25,587	250
Judgments and claims	4,000	4,000	5,517	(1,517)
	<u>1,223,758</u>	<u>1,223,758</u>	<u>1,148,894</u>	<u>74,864</u>

PUBLIC SAFETY

Traffic control	3,600	3,600	3,862	(262)
Dog control	20,500	20,500	20,500	-
	<u>24,100</u>	<u>24,100</u>	<u>24,362</u>	<u>(262)</u>

HEALTH

Ambulance services	<u>787,190</u>	<u>787,190</u>	<u>781,537</u>	<u>5,653</u>
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TRANSPORTATION

Highway Superintendent	<u>211,332</u>	<u>211,332</u>	<u>210,232</u>	<u>1,100</u>
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veteran's organizations	<u>400</u>	<u>400</u>	<u>-</u>	<u>400</u>
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CULTURE AND RECREATION

Recreation administration	1,173,574	1,173,574	1,212,570	(38,996)
Recreation for the elderly	25,000	25,000	29,495	(4,495)
Library	303,500	303,500	303,500	-
Historian	13,500	13,500	13,000	500
Celebrations	1,300	1,300	1,200	100
	<u>1,516,874</u>	<u>1,516,874</u>	<u>1,559,765</u>	<u>(42,891)</u>

HOME AND COMMUNITY SERVICES

Refuse and garbage	38,000	38,000	32,427	5,573
Cemeteries	18,500	18,500	14,823	3,677
	<u>56,500</u>	<u>56,500</u>	<u>47,250</u>	<u>9,250</u>

EMPLOYEE BENEFITS

State retirement	134,053	134,053	131,009	3,044
Social security	125,000	125,000	128,961	(3,961)
Workers' compensation benefits	44,939	44,939	29,467	15,472
Unemployment benefits	500	500	-	500
Disability	1,000	1,000	4,009	(3,009)
Health insurance	730,599	730,599	794,891	(64,292)
	<u>1,036,091</u>	<u>1,036,091</u>	<u>1,088,337</u>	<u>(52,246)</u>

Town of Philipstown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund (Continued)

Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
DEBT SERVICE				
Interest				
Bond anticipation notes	\$ 63,723	\$ 63,723	\$ 63,723	\$ -
TOTAL EXPENDITURES	<u>4,919,968</u>	<u>4,919,968</u>	<u>4,924,100</u>	<u>(4,132)</u>
OTHER FINANCING USES				
Transfers out				
Capital Projects Fund	<u>156,797</u>	<u>156,797</u>	<u>156,797</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 5,076,765</u></u>	<u><u>\$ 5,076,765</u></u>	<u><u>\$ 5,080,897</u></u>	<u><u>\$ (4,132)</u></u>

See independent auditors' report.

Town of Philipstown, New York

Special Districts Fund
 Combining Balance Sheet - Sub-Funds
 December 31, 2024

	Combined Fire Protection Districts	Continental Village Water District	Garrison Landing Water District	Continental Village Special Park District	Totals
ASSETS					
Cash and equivalents	\$ 20,800	\$ 100,692	\$ -	\$ 74,458	\$ 195,950
Receivables					
Accounts	-	47,355	10,000	-	57,355
Due from other governments	-	-	-	-	-
Due from other funds	-	17,913	-	25,593	43,506
	-	65,268	10,000	25,593	100,861
Total Assets	\$ 20,800	\$ 165,960	\$ 10,000	\$ 100,051	\$ 296,811
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts payable	\$ -	\$ 110,737	\$ -	\$ 1,750	\$ 112,487
Due to other funds	-	16,199	38,381	12,464	67,044
Due to retirement system	-	6,752	-	1,164	7,916
Total Liabilities	-	133,688	38,381	15,378	187,447
Fund balances (deficits)					
Restricted	-	-	-	5,871	5,871
Assigned	20,800	32,272	(28,381)	78,802	103,493
Total Fund Balances (Deficits)	20,800	32,272	(28,381)	84,673	109,364
Total Liabilities and Fund Balances (Deficits)	\$ 20,800	\$ 165,960	\$ 10,000	\$ 100,051	\$ 296,811

See independent auditors' report.

Town of Philipstown, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Sub-Funds
 Year Ended December 31, 2024

	Fire Protection Districts		Continental	Garrison
	Continental Village No. 1	Philipstown No. 1	Village Water District	Landing Water District
REVENUES				
Real property taxes	\$ 305,900	\$ 63,957	\$ 148,890	\$ -
Departmental income	-	-	167,355	18,543
Use of money and property	-	-	4,367	428
Miscellaneous	-	-	-	-
Total Revenues	305,900	63,957	320,612	18,971
EXPENDITURES				
Current				
General government support	-	-	4,695	-
Public safety	302,716	63,957	-	-
Culture and recreation	-	-	-	-
Home and community services	-	-	241,000	-
Employee benefits	-	-	9,381	-
Debt service				
Interest	-	-	-	6,405
Total Expenditures	302,716	63,957	255,076	6,405
Excess (Deficiency) of Revenues Over Expenditures	3,184	-	65,536	12,566
OTHER FINANCING USES				
Transfers out	-	-	-	(13,595)
Net Change in Fund Balances (Deficits)	3,184	-	65,536	(1,029)
FUND BALANCES (DEFICITS)				
Beginning of Year	11,211	6,405	(33,264)	(27,352)
End of Year	\$ 14,395	\$ 6,405	\$ 32,272	\$ (28,381)

See independent auditors' report.

Continental Village Special Park District	Totals
\$ 132,468	\$ 651,215
80,423	266,321
3,239	8,034
4,199	4,199
<u>220,329</u>	<u>929,769</u>
7,891	12,586
-	366,673
199,933	199,933
-	241,000
30,077	39,458
<u>1,549</u>	<u>7,954</u>
<u>239,450</u>	<u>867,604</u>
(19,121)	62,165
<u>(23,750)</u>	<u>(37,345)</u>
(42,871)	24,820
<u>127,544</u>	<u>84,544</u>
<u>\$ 84,673</u>	<u>\$ 109,364</u>

Town of Philipstown, New York

Capital Projects Fund
Project-Length Schedule
Inception of Projects Through December 31, 2024

<u>PROJECT</u>	<u>Authorization</u>	<u>Expenditures and Transfers To Date</u>	<u>Unexpended Balance</u>
Garrison Landing Water District	\$ 327,594	\$ 327,594	\$ -
Cortlandt Lake Dam	792,264	666,764	125,500
St. Mary's Alarm System	65,000	61,752	3,248
St. Mary's Boiler	611,323	604,936	6,387
Hudson Highlands Fjord Trail	937,180	376,998	560,182
Dahlia Annex	400,000	417,872	(17,872)
Town Hall Renovation	2,060,192	2,060,192	-
Highway Garage	5,287,500	4,373,981	913,519
Garrison Landing Water District Well Project	870,000	651,464	218,536
Financed Purchase Debt - 2024	171,426	171,426	-
Totals	<u>\$ 11,522,479</u>	<u>\$ 9,712,979</u>	<u>\$ 1,809,500</u>

See independent auditors' report.

Total Revenues	Fund Balance (Deficit) at December 31, 2024	Bond Anticipation Notes Outstanding at December 31, 2024
\$ 247,079	\$ (80,515)	\$ 80,515
666,764	-	125,500
65,000	3,248	-
611,323	6,387	-
382,242	5,244	-
400,000	(17,872)	-
788,323	(1,271,869)	1,436,266
1,847,500	(2,526,481)	3,440,000
325,000	(326,464)	-
171,426	-	-
<u>\$ 5,504,657</u>	<u>\$ (4,208,322)</u>	<u>\$ 5,082,281</u>