

Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2022

Town of Yorktown, New York

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Independent Auditors' Report

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

Change in Accounting Policy

We draw attention to Note 2E in the notes to the financial statements which discloses the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our 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 for the year ended December 31, 2022 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 and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended December 31, 2022 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 for the year ended December 31, 2022 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 for the year ended December 31, 2022 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 and the schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the basic financial statements of the Town as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated May 3, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 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 relate directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with the 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 for the year ended December 31, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
November 3, 2023

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Town of Yorktown, New York

Management's Discussion and Analysis ("MD&A")
December 31, 2022

Introduction

The following narrative and analysis of the Town of Yorktown, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the fiscal year ended December 31, 2022. This analysis should be read in conjunction with the basic financial statements and accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$70,581,475.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$51,017,072 an increase of \$8,679,450 from the prior fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund is \$27,074,301. This represents an increase of \$4,799,909 in unassigned fund balance from the previous year.
- During 2022, the Town issued \$1,811,000 in additional short-term obligations (water meter replacement), while retiring \$912,250 of this type of debt.
- In 2022 the Town retired \$880,000 of long-term bonded indebtedness. No new long term indebtedness was issued.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements (3) and notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statements and other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the 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, liabilities and deferred inflows/outflows of resources, with the difference 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 only result in cash flows in future fiscal periods (for example, earned but unused vacation leave and other post-employment benefit obligations).

The government-wide financial statements distinguish functions of the Town that are *governmental activities* (those principally supported by taxes and intergovernmental revenues) and functions of the Town that are *business-type activities* (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is 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 the following governmental funds: General Fund, Highway Fund, Special Districts Fund, Capital Projects Fund, Community Development Fund, Public Library Fund, Special Purpose Fund, and Debt Service 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 the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, since they are classified as major funds. Individual fund data for the Community Development Fund, Public Library Fund, Special Purpose Fund and the Debt Service Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual budgets for the General Fund, Highway Fund, Special Districts Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General, Highway and Special Districts funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds are used to show activities that operate similar to private business enterprises. The town maintains two proprietary funds, which are internal service funds, to account for its self-insured worker's compensation and general liability claims programs. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the basic financial statement section of this report.

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 the Town's programs. The Town maintains one type of fiduciary fund that is known as a Custodial Fund. The Town holds resources in this fund purely in a custodial capacity, primarily to account for real property taxes collected for other governments. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate government.

The financial statement for the fiduciary fund can be found in the basic financial statements section of this report.

Notes to 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 financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Town's OPEB obligations and net pension liability, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,581,475 at the close of 2022. Of this amount, \$2,661,540 is restricted for various purposes (debt service, special revenue funds, trusts and parklands). The net investment in capital assets accounts for \$97,834,335 of the total net position.

The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment 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 these liabilities.

Statement of Net Position

	2022	2021
Current Assets	\$ 83,799,773	\$ 62,167,797
Capital Assets, net	111,393,605	110,885,798
Total Assets	195,193,378	173,053,595
Deferred outflows of Resources	32,071,120	39,271,146
Current Liabilities	12,520,987	9,266,538
Long-term Liabilities	85,992,472	114,140,534
Total Liabilities	98,513,459	123,407,072
Deferred Inflows of Resources	58,169,564	29,520,142
NET POSITION		
Net investment in capital assets	97,834,335	96,276,069
Restricted	2,661,540	2,561,489
Unrestricted	(29,914,400)	(39,440,031)
Total Net Position	\$ 70,581,475	\$ 59,397,527

The restricted net position of \$2,661,540 represents resources that are subject to external restrictions on how they may be used.

Restricted Net Position

	2022	2021
Debt Service	\$ 1,214,611	\$ 1,213,893
Special Revenue Funds		
Community Development	56,642	83,060
Trusts	708,463	710,298
Parklands	681,824	554,238
	\$ 2,661,540	\$ 2,561,489

Change in Net Position

	2022	2021
PROGRAM REVENUES		
Charges for Services	\$ 16,463,516	\$ 15,408,612
Operating Grants and Contributions	5,742,984	3,942,941
Capital Grants and Contributions	718	138
General Revenues		
Real Property Taxes	31,793,859	31,697,070
Other Tax items	822,700	707,380
Non-Property Taxes	10,372,607	9,631,502
Unrestricted Use of Money and Property	493,299	81,032
Sale of Property and Compensation for Loss	76,391	35,176
Unrestricted State Aid	3,413,029	2,768,544
Miscellaneous	338,541	228,920
	69,517,644	64,501,315
PROGRAM EXPENSES		
General Government Support	8,111,601	8,325,939
Public Safety	14,644,609	17,064,116
Health	726,335	662,658
Transportation	6,854,027	7,115,513
Economic Opportunity and Development	2,731,446	2,716,210
Culture and Recreation	7,945,913	7,984,406
Home and Community Services	17,063,770	17,284,569
Interest	255,995	264,314
	58,333,696	61,417,725
Total Expenses	58,333,696	61,417,725
Change in Net Position	11,183,948	3,083,590
NET POSITION		
Beginning, as reported	59,397,527	56,313,937
Ending	\$ 70,581,475	\$ 59,397,527

For the fiscal year ended December 31, 2022, actual revenues from governmental activities totaled \$69,517,644 which is an increase of \$5,016,329 from 2021. This increase is due to increases in Charges for Services (\$1,054,904), Non-Property Taxes (\$741,105), Operating Grants and Contributions (\$1,800,043) and State Aid (\$644,485). Real Property Tax revenues of \$31,793,859 represents 46% of total revenues.

Actual Expenses from governmental activities for the fiscal year ended December 31, 2022 totaled \$58,333,696 a decrease of \$3,084,029 from fiscal year 2021. This decrease can be attributed to decreases in Public Safety (\$2,419,507), Home and Community Services (\$220,799) and Government Support (\$214,338) and Transportation (\$261,486).

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 discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$51,017,072 an increase of \$8,679,450 from the prior year. Of this amount, \$7,002,803 is reported as either *nonspendable* or *restricted*, which indicates that it is not available for new spending because it has already been set aside for:

1) Prepaid expenditures	\$	877,761
2) Employee benefit accrued liability		1,456,000
3) Debt service		1,214,611
4) Parklands		681,824
5) Trusts		708,463
6) Community Development		55,986
7) Capital Projects		1,808,158
8) PILOT Tax Protection		200,000

\$16,939,968 constitutes *assigned fund balances*, of which \$1,559,610 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2023 budget, while \$529,810 has been assigned for tax certiorari payments leaving an assigned fund balance of \$10,087,474, representing the residual fund balances of the Highway, Special Districts, Community Development and Public Library funds, respectively. The Town's total *unassigned fund balance* for governmental funds is \$27,074,031 which consists of the unassigned fund balance in the General Fund. The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$31,252,052.

General Fund

As a measure of the General Fund's liquidity, it is useful to compare the committed, assigned and unassigned fund balance to the total fund balance and to the General Fund expenditures and other financing uses. The assigned and unassigned fund balance of \$29,300,825 represents 94% of the total General Fund balance and 89% of the General Fund's expenditures and other financing uses.

When the fiscal 2022 General Fund budget was adopted, it anticipated the use of \$925,000 of fund balance. Actual results of operations resulted in an increase of \$5,225,431 in the General Fund total fund balance. The increase in the fund balance can be attributed to the increases in sales tax, departmental savings and prior years federal and state aid grant reimbursements.

Highway Fund

The fund balance in the Highway Fund increased by \$423,704 to \$3,073,284 in the current fiscal year. This increase is related to the reduction in salary and benefit expenditures due to open positions and retirements as well as increases in federal and state aid.

Library Fund

The Library fund balance had an increase of \$86,250 in 2022.

Special District Funds

The Special Districts total combined fund balance of 11,090,121 at the end of the current fiscal year has a decrease of \$53,070 from the previous year. The breakdown of this decrease is as follows:

Combined Water Districts	\$	(597,515)
Combined Sewer Districts		283,755
Refuse District		187,239
Combined Park Districts		34,573
Advanced Life Support		38,878

Capital Projects

The fund balances of all Capital Projects Funds total \$1,808,158. Expenditures in 2022 reflect costs associated with the water department water meter and cement relining projects, highway renovation project, town hall entrance renovation and improvements to various town buildings.

Proprietary Funds

The Town’s proprietary funds consist of both Workers’ Compensation benefits and General Liability claims. There was a minimal change in total fund balance from 2021 to 2022.

General Fund Budgetary Highlights

The final budgeted amount for revenue, inclusive of other financing sources, was \$31,439,366 with collections totaling \$38,248,679. This amount reflects increases in collections for sales tax and federal and state aid grant reimbursements.

The final budgeted amount for expenditures, inclusive of other financing uses, was \$36,883,851 the final amount of actual expenditures was \$33,023,248. Salaries and benefits were reduced in the following departments due to vacant positions from employee retirements: Assessor, Police, Engineering and Building Inspector. In addition, due to vacant positions and new hires at reduced pension costs savings were noted in employee benefits.

The reduction in expenditures coupled with the increase in revenue accounts for the majority of the increase in the General Fund’s unassigned fund balance.

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2022 amounted to \$111,393,605. The net investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

**Capital Assets
(Net of Accumulated Depreciation)**

	2022	2021
Land	\$ 15309930	\$ 15,309,930
Construction-in-Progress	17183599	19,059,234
Total Assets Not Depreciated	32,493,529	34,369,164
Land Improvements	2958504	3,248,633
Buildings and Improvements	26126103	27,178,349
Infrastructure	44079242	40,464,400
Machinery and Equipment	5736227	5,625,252
Total Assets Net of Depreciation	78,900,076	76,516,634
Total Capital Assets	\$ 111,393,605	\$ 110,885,798

Additional information on the Town's capital assets can be found in Note 3D in the notes to financial statements.

Long Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$11,775,000. The Town's serial bond debt decreased by \$880,000. Total outstanding long term debt was bonded for the purposes of sewer installation projects. Payments on short-term obligations totaled \$912,250. All of this debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property.

Additional information on the Town's short-term and long-term debt can be found in Notes 3E and 3F, respectively, in the notes to financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town of Yorktown, 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 Town Comptroller, Town of Yorktown, 363 Underhill Avenue, Yorktown Heights, NY 10598.

Town of Yorktown, New YorkStatement of Net Position
December 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 58,896,131
Receivables	
Taxes, net	2,295,853
Accounts	2,623,746
Leases	6,005,156
Due from other governments	2,485,357
Rent	5,317
Prepaid expenses	877,761
Net pension asset - ERS	3,351,351
Investment in joint venture	7,259,101
Capital assets	
Not being depreciated	32,493,529
Being depreciated, net	<u>78,900,076</u>
Total Assets	<u>195,193,378</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	16,378,619
OPEB related	<u>15,692,501</u>
Total Deferred Outflows of Resources	<u>32,071,120</u>
LIABILITIES	
Accounts payable	3,444,305
Deposits	2,201,456
Employee payroll deductions	154,721
Unearned revenues	3,753,684
Bond anticipation notes payable	2,881,000
Accrued interest payable	85,821
Non-current liabilities	
Due within one year	1,274,131
Due in more than one year	<u>84,718,341</u>
Total Liabilities	<u>98,513,459</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	20,972,622
Taxes collected in advance	158,743
OPEB related	31,093,295
Lease related	<u>5,944,904</u>
Total Deferred Inflows of Resources	<u>58,169,564</u>
NET POSITION	
Net Investment in capital assets	97,834,335
Restricted	
Debt service	1,214,611
Special Revenue funds	
Community development	56,642
Trusts	708,463
Parklands	681,824
Unrestricted	<u>(29,914,400)</u>
Total Net Position	<u>\$ 70,581,475</u>

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

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Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 8,111,601	\$ 3,770,124	\$ -	\$ -	\$ (4,341,477)
Public safety	14,644,609	710,924	1,961,935	-	(11,971,750)
Health	726,335	-	35,234	-	(691,101)
Transportation	6,854,027	-	1,470,369	-	(5,383,658)
Economic opportunity and development	2,731,446	-	1,912,081	-	(819,365)
Culture and recreation	7,945,913	1,828,178	106,708	-	(6,011,027)
Home and community services	17,063,770	10,154,290	256,657	-	(6,652,823)
Interest	255,995	-	-	718	(255,277)
Total Governmental Activities	\$ 58,333,696	\$ 16,463,516	\$ 5,742,984	\$ 718	(36,126,478)
General revenues					
Real property taxes					31,793,859
Other tax items					
Interest and penalties on real property taxes					638,642
Payments in lieu of taxes					184,058
Non-property taxes					
Non-property tax distribution from County					9,482,274
Franchise fees					890,333
Unrestricted use of money and property					493,299
Sale of property and compensation for loss					76,391
Unrestricted State aid					3,413,029
Miscellaneous					338,541
Total General Revenues					47,310,426
Change in Net Position					11,183,948
NET POSITION					
Net Position - Beginning					59,397,527
Net Position - Ending					\$ 70,581,475

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

Town of Yorktown, New York

Balance Sheet
Governmental Funds
December 31, 2022

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	\$ 35,211,297	\$ 3,660,304	\$ 9,969,790	\$ 5,076,969
Taxes receivable, net	2,295,853	-	-	-
Other receivables				
Accounts	260,792	-	2,362,954	-
Leases	6,005,156	-	-	-
Due from other governments	2,468,557	-	16,800	-
Due from other funds	20,641	-	14,196	-
Rent	-	-	-	-
	8,755,146	-	2,393,950	-
Prepaid expenditures	700,310	46,042	96,699	-
Total Assets	<u>\$ 46,962,606</u>	<u>\$ 3,706,346</u>	<u>\$ 12,460,439</u>	<u>\$ 5,076,969</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,022,752	\$ 582,447	\$ 1,370,318	\$ 387,811
Deposits payable	2,201,456	-	-	-
Employee payroll deductions	154,721	-	-	-
Due to other funds	288,245	25,615	-	-
Unearned revenues	3,721,510	25,000	-	-
Bond anticipation notes payable	-	-	-	2,881,000
Total Liabilities	<u>7,388,684</u>	<u>633,062</u>	<u>1,370,318</u>	<u>3,268,811</u>
Deferred inflows of resources				
Taxes collected in advance	158,743	-	-	-
Deferred tax revenues	2,218,223	-	-	-
Lease related	5,944,904	-	-	-
Total Deferred Inflows of Resources	<u>8,321,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,710,554</u>	<u>633,062</u>	<u>1,370,318</u>	<u>3,268,811</u>
Fund balances				
Nonspendable	700,310	46,042	96,699	-
Restricted	1,250,917	-	1,445,985	1,808,158
Assigned	2,226,524	3,027,242	9,547,437	-
Unassigned	27,074,301	-	-	-
Total Fund Balances	<u>31,252,052</u>	<u>3,073,284</u>	<u>11,090,121</u>	<u>1,808,158</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 46,962,606</u>	<u>\$ 3,706,346</u>	<u>\$ 12,460,439</u>	<u>\$ 5,076,969</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 3,862,222	\$ 57,780,582
-	2,295,853
-	2,623,746
-	6,005,156
-	2,485,357
-	34,837
5,317	5,317
5,317	11,154,413
34,710	877,761
<u>\$ 3,902,249</u>	<u>\$ 72,108,609</u>
\$ 80,977	\$ 3,444,305
-	2,201,456
-	154,721
20,641	334,501
7,174	3,753,684
-	2,881,000
108,792	12,769,667
-	158,743
-	2,218,223
-	5,944,904
-	8,321,870
108,792	21,091,537
34,710	877,761
1,619,982	6,125,042
2,138,765	16,939,968
-	27,074,301
3,793,457	51,017,072
<u>\$ 3,902,249</u>	<u>\$ 72,108,609</u>

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Town of Yorktown, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2022

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

Total Fund Balances - Governmental Funds	<u>\$ 51,017,072</u>
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	
Capital assets - non - depreciable	32,493,529
Capital assets - depreciable	179,475,951
Accumulated depreciation	(100,575,875)
Investment in joint venture is not reported in the funds.	<u>7,259,101</u>
	<u>118,652,706</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	16,378,619
Deferred outflows - OPEB related	15,692,501
Deferred inflows - pension related	(20,972,622)
Deferred inflows - OPEB related	<u>(31,093,295)</u>
	<u>(19,994,797)</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - ERS	3,351,351
Real property taxes	<u>2,218,223</u>
	<u>5,569,574</u>
Internal service funds are used by management to charge the cost of workers compensation and general liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>(1,044,921)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(85,821)
General obligation bonds payable	(11,775,000)
Compensated absences	(1,311,494)
Net pension liability	(1,086,394)
Total OPEB liability	<u>(69,359,450)</u>
	<u>(83,618,159)</u>
Net Position of Governmental Activities	<u>\$ 70,581,475</u>

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2022

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	\$ 13,345,766	\$ 6,248,825	\$ 10,318,159	\$ -
Other tax items	701,905	-	120,795	-
Non-property taxes	10,372,607	-	-	-
Departmental income	3,238,066	-	8,933,906	-
Intergovernmental charges	-	-	926,775	-
Use of money and property	1,207,241	48,461	140,313	-
Licenses and permits	1,368,945	-	-	-
Fines and forfeitures	705,660	-	-	-
Sale of property and compensation for loss	33,996	4,013	95,383	-
State aid	3,508,553	1,003,689	4,725	-
Federal aid	2,033,813	295,471	42,526	-
Miscellaneous	186,332	95,411	28,584	-
Total Revenues	<u>36,702,884</u>	<u>7,695,870</u>	<u>20,611,166</u>	<u>-</u>
EXPENDITURES				
Current				
General government support	7,241,712	-	-	-
Public safety	11,568,167	-	-	-
Health	-	-	724,449	-
Transportation	407,624	6,751,429	-	-
Economic opportunity and development	794,556	-	-	-
Economic opportunity and development -COVID related	-	-	-	-
Culture and recreation	3,470,079	-	222,445	-
Home and community services	641,564	-	13,865,239	-
Employee benefits	5,824,168	665,690	1,344,794	-
Debt service				
Principal	-	-	880,000	-
Interest	9,133	-	245,227	-
Capital outlay	-	-	-	1,926,214
Total Expenditures	<u>29,957,003</u>	<u>7,417,119</u>	<u>17,282,154</u>	<u>1,926,214</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,745,881</u>	<u>278,751</u>	<u>3,329,012</u>	<u>(1,926,214)</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	23,324	-	-
Sale of equipment	42,395	-	-	-
Transfers in	1,503,400	514,000	208,250	5,154,763
Transfers out	(3,066,245)	(392,371)	(3,590,332)	(331,465)
Total Other Financing Sources (Uses)	<u>(1,520,450)</u>	<u>144,953</u>	<u>(3,382,082)</u>	<u>4,823,298</u>
Net Change in Fund Balances	5,225,431	423,704	(53,070)	2,897,084
FUND BALANCES				
Beginning of year	<u>26,026,621</u>	<u>2,649,580</u>	<u>11,143,191</u>	<u>(1,088,926)</u>
End of Year	<u>\$ 31,252,052</u>	<u>\$ 3,073,284</u>	<u>\$ 11,090,121</u>	<u>\$ 1,808,158</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,164,670	\$ 32,077,420
-	822,700
-	10,372,607
8,903	12,180,875
377,145	1,303,920
40,851	1,436,866
-	1,368,945
-	705,660
-	133,392
10,782	4,527,749
1,726,079	4,097,889
200,501	510,828
4,528,931	69,538,851
-	7,241,712
-	11,568,167
-	724,449
-	7,159,053
1,759,428	2,553,984
-	-
2,250,452	5,942,976
-	14,506,803
332,750	8,167,402
-	880,000
-	254,360
-	1,926,214
4,342,630	60,925,120
186,301	8,613,731
-	23,324
-	42,395
-	7,380,413
-	(7,380,413)
-	65,719
186,301	8,679,450
3,607,156	42,337,622
\$ 3,793,457	\$ 51,017,072

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Town of Yorktown, 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, 2022

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 8,679,450</u>
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.	
Capital outlay expenditures	4,886,046
Depreciation expense	(4,378,239)
Equity interest in joint venture	<u>227,312</u>
	<u>735,119</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(283,561)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal paid on general obligation bonds	<u>880,000</u>
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.	
Accrued interest	(1,586)
Compensated absences	(108,458)
Change in pension liabilities and related deferred outflows and inflows or resources	2,287,013
Change in OPEB liabilities and related deferred outflows and inflows or resources	<u>(853,593)</u>
	<u>1,323,376</u>
Internal service funds are used by management to charge the costs of risk to individual funds. The net loss of the activities of internal service funds are reported within governmental activities.	
	<u>(150,436)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 11,183,948</u></u>

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2022

	General			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 13,499,966	\$ 13,499,966	\$ 13,345,766	\$ (154,200)
Other tax items	859,250	859,250	701,905	(157,345)
Non-property taxes	7,821,500	7,821,500	10,372,607	2,551,107
Departmental income	3,321,000	3,321,000	3,238,066	(82,934)
Intergovernmental charges	-	-	-	-
Use of money and property	721,250	721,250	1,207,241	485,991
Licenses and permits	1,328,000	1,328,000	1,368,945	40,945
Fines and forfeitures	450,000	450,000	705,660	255,660
Sale of property and compensation for loss	2,500	2,500	33,996	31,496
State aid	1,790,000	1,790,000	3,508,553	1,718,553
Federal aid	60,000	60,000	2,033,813	1,973,813
Miscellaneous	87,500	87,500	186,332	98,832
Total Revenues	29,940,966	29,940,966	36,702,884	6,761,918
EXPENDITURES				
Current				
General government support	7,716,934	8,321,704	7,241,712	1,079,992
Public safety	12,014,348	12,220,089	11,568,167	651,922
Health	1,250	1,250	-	1,250
Transportation	435,060	437,960	407,624	30,336
Economic opportunity and development	862,975	860,106	794,556	65,550
Culture and recreation	3,739,920	3,939,477	3,470,079	469,398
Home and community services	729,053	735,496	641,564	93,932
Employee benefits	6,921,490	7,292,024	5,824,168	1,467,856
Debt service				
Principal	-	-	-	-
Interest	9,500	9,500	9,133	367
Total Expenditures	32,430,530	33,817,606	29,957,003	3,860,603
Excess (Deficiency) of Revenues Over Expenditures	(2,489,564)	(3,876,640)	6,745,881	10,622,521
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Sale of equipment	-	-	42,395	42,395
Transfers in	1,498,400	1,498,400	1,503,400	5,000
Transfers out	(585,000)	(3,066,245)	(3,066,245)	-
Total Other Financing Sources (Uses)	913,400	(1,567,845)	(1,520,450)	47,395
Net Change in Fund Balances	(1,576,164)	(5,444,485)	5,225,431	10,669,916
FUND BALANCES				
Beginning of year	1,576,164	5,444,485	26,026,621	20,582,136
End of Year	\$ -	\$ -	\$ 31,252,052	\$ 31,252,052

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

Highway				Special Districts			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 6,248,825	\$ 6,248,825	\$ 6,248,825	\$ -	\$ 10,313,859	\$ 10,313,859	\$ 10,318,159	\$ 4,300
-	-	-	-	120,750	120,750	120,795	45
-	-	-	-	-	-	-	-
-	-	-	-	8,912,000	8,912,000	8,933,906	21,906
-	-	-	-	866,366	866,366	926,775	60,409
5,500	5,500	48,461	42,961	33,850	33,850	140,313	106,463
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,013	4,013	25,000	25,000	95,383	70,383
600,000	600,000	1,003,689	403,689	-	-	4,725	4,725
-	-	295,471	295,471	-	-	42,526	42,526
55,000	55,000	95,411	40,411	23,750	23,750	28,584	4,834
<u>6,909,325</u>	<u>6,909,325</u>	<u>7,695,870</u>	<u>786,545</u>	<u>20,295,575</u>	<u>20,295,575</u>	<u>20,611,166</u>	<u>315,591</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	728,450	728,450	724,449	4,001
6,800,366	7,683,330	6,751,429	931,901	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	441,763	456,380	222,445	233,935
-	-	-	-	15,728,469	16,926,385	13,865,239	3,061,146
799,250	926,699	665,690	261,009	1,575,270	1,632,827	1,344,794	288,033
-	-	-	-	880,000	880,000	880,000	-
-	-	-	-	296,395	296,395	245,227	51,168
<u>7,599,616</u>	<u>8,610,029</u>	<u>7,417,119</u>	<u>1,192,910</u>	<u>19,650,347</u>	<u>20,920,437</u>	<u>17,282,154</u>	<u>3,638,283</u>
<u>(690,291)</u>	<u>(1,700,704)</u>	<u>278,751</u>	<u>1,979,455</u>	<u>645,228</u>	<u>(624,862)</u>	<u>3,329,012</u>	<u>3,953,874</u>
-	-	23,324	23,324	-	-	-	-
-	-	-	-	-	-	-	-
208,000	514,000	514,000	-	208,250	208,250	208,250	-
-	(392,371)	(392,371)	-	(2,241,900)	(3,590,332)	(3,590,332)	-
<u>208,000</u>	<u>121,629</u>	<u>144,953</u>	<u>23,324</u>	<u>(2,033,650)</u>	<u>(3,382,082)</u>	<u>(3,382,082)</u>	<u>-</u>
(482,291)	(1,579,075)	423,704	2,002,779	(1,388,422)	(4,006,944)	(53,070)	3,953,874
<u>482,291</u>	<u>1,579,075</u>	<u>2,649,580</u>	<u>1,070,505</u>	<u>1,388,422</u>	<u>4,006,944</u>	<u>11,143,191</u>	<u>7,136,247</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,073,284</u>	<u>\$ 3,073,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,090,121</u>	<u>\$ 11,090,121</u>

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2022

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	\$ 1,115,549
Due from other funds	<u>299,664</u>
Total Assets	<u>1,415,213</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	242,131
Non-current liabilities	
Claims payable, less current portion	<u>2,218,003</u>
Total Liabilities	<u>2,460,134</u>
NET POSITION	
Unrestricted	<u><u>\$ (1,044,921)</u></u>

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

Town of Yorktown, New York

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2022

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 866,844
Miscellaneous	<u>193,580</u>
Total Operating Revenues	<u>1,060,424</u>
OPERATING EXPENSES	
Workers' compensation benefits	796,666
Judgments and claims	<u>417,247</u>
Total Operating Expenses	<u>1,213,913</u>
Loss from Operations	(153,489)
NON-OPERATING REVENUES	
Interest income	<u>3,053</u>
Change in Net Position	(150,436)
NET POSITION	
Beginning of Year	<u>(894,485)</u>
End of Year	<u><u>\$ (1,044,921)</u></u>

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

Town of Yorktown, New York

Statement of Cash Flows
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2022

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 866,844
Cash received from insurance carriers, claimants and others	193,580
Cash payments to insurance carriers, claimants and others	<u>(599,018)</u>
Net Cash from Operating Activities	<u>461,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>3,053</u>
Net Increase in Cash and Equivalents	464,459
CASH AND EQUIVALENTS	
Beginning of Year	<u>651,090</u>
End of Year	<u><u>\$ 1,115,549</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (153,489)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Claims payable	<u>614,895</u>
Net Cash from Operating Activities	<u><u>\$ 461,406</u></u>

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

Town of Yorktown, New York

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2022

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 19,040,340
Real property taxes receivable for other governments	<u>37,727,319</u>
Total Assets	<u><u>\$ 56,767,659</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 56,767,659</u></u>

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

Town of Yorktown, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 163,512,038
DEDUCTIONS	
Payments of real property taxes to other governments	<u>163,512,038</u>
Net Change in Fiduciary Net Position	-
Net Position	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Town of Yorktown, New York

Notes to Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The Town of Yorktown, New York ("Town") was established in 1788 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 officer and the Town Comptroller serves as the chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, 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 primary government 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. Governmental activities, which are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Funds are charges to customers for services. Operating expenses for the Internal Service Funds include benefit costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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/net position, revenues and expenditures/expenses. 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 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 three 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 operating 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 established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

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 water, sewer, refuse, park and advanced life-support districts. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

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, other than those financed by proprietary funds.

The Town also reports the following non-major governmental funds:

Special Revenue Funds:

Community Development Fund - Housing Assistance Payments Program - The Community Development Fund is used to account for grants and entitlements received by the Town from the U.S. Department of Housing and Urban Development.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for those operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.
- c. 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 also used to account for real property taxes collected for other governments.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 do the Proprietary and Fiduciary Funds. 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 compensated absences, net pension liability and other postemployment 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. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 - 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 rate. 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 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, 2022.

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.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special district taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

31st. The Town guarantees the full payment of the County of Westchester, New York ("County") and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligations regardless of the amounts collected. County and school districts 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.

Lease Receivable - The Town is a lessor for noncancellable leases of cell towers. The Town has recognized a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of the lease, the Town initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources was initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The Town monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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,

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

2022, 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.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent amounts which have been provided for in the subsequent years budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Investment in Joint Venture - The investment in joint venture represents the Town's 49% equity interest in the Northern Westchester Joint Water Works.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) 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 as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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>
Land improvements	20
Buildings and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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 revenue 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 reported unearned revenues of \$3,719,886 for ARPA monies received in advance and \$1,624 for payments received in advance in the General Fund, \$25,000 for permit revenues received in advance in the Highway Fund and \$7,174 for unspent CARES Act revenue in the Community Development 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.

The Town has reported deferred inflows of resources of \$158,743 for real property taxes collected in advance and \$2,218,223 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amount are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3.

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 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 various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current

Note 1 - Summary of Significant Accounting Policies (Continued)

and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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 and the New York State and Local Police and Fire 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.*"

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.

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 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 Debt Service, Special Revenue Funds, 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.

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 (inventories, prepaid amounts, long-term receivables, advances) 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 for the Town. 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 Board 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.

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 Comptroller for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted or committed.

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, 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

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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 November 3, 2023.

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 October 20th, 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) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts and Public Library funds.
- i) Budgets for General, Highway, Special Districts and Public Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose, Debt Service and Proprietary funds since other means control the use of these resources (e.g. grant awards) and sometimes span a period of more than one year.

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

- j) 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 Town Board.
- k) Appropriations in the General, Highway, Special Districts and Public Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, 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. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

Under the 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 Laws of 2011, as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit of 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 one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. 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

A deficit balance of \$928,142 and \$116,779 exists in the Internal Service Fund – Workers' Compensation Benefits Fund and General Liability Claims Fund as of December 31, 2022. The Fund deficits are attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. These deficits will be addressed in future periods.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Capital Projects Fund Project Deficits

The deficits in various capital projects arise 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 are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental awards or converted to permanent financing.

E. Cumulative Effect of Change in Accounting Principle

The Town implemented the provisions of GASB Statement No. 87, "Leases," for the year ended December 31, 2022, which requires a lessor to recognize a lease receivable and a deferred inflow of resources. As a result, the Town reported a cumulative effect of change in accounting principle of \$6,327,011 for the lease receivable and \$6,327,011 for a deferred inflow of resources for a net cumulative effect of \$0 to the January 1, 2022 net position of governmental activities and the General Fund.

F. Reclassification of Prior Year Presentation

Certain balance sheet classification have been updated to conform with the current year's presentation.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2022 consisted of the following:

Town and County taxes - Current	\$ 451,657
Taxes receivable - Overdue	3,727,128
Property acquired for taxes	<u>559,153</u>
	4,737,938
Less - Allowance for uncollectible taxes	<u>(2,442,085)</u>
	<u>\$ 2,295,853</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$2,218,223, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

B. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2022 were as follows:

Fund	Due From	Due To
General	\$ 20,641	\$ 288,245
Highway	-	25,615
Special Districts	14,196	-
Non-Major Governmental	-	20,641
Internal Service	299,664	-
	\$ 334,501	\$ 334,501

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.

C. Investment in Joint Venture

The Town, together with the Town of Cortlandt, the Town of Somers and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 49%.

The following is an audited summary of financial information included in the financial statements of the joint venture as of and for the year ended December 31, 2022.

Total Assets	\$ 27,657,398
Total Deferred Outflows of Resources	3,798,308
Total Liabilities	9,245,586
Total Deferred Inflows of Resources	7,395,629
Total Net Position	14,814,491
Total Operating Revenues	11,991,693
Total Non-Operating Revenues	55,049
Total Expenses	11,582,840

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets, not being depreciated:				
Land	\$ 15,309,930	\$ -	\$ -	\$ 15,309,930
Construction-in-progress	19,059,234	1,926,215	3,801,850	17,183,599
Total Capital Assets, not being Depreciated	<u>\$ 34,369,164</u>	<u>\$ 1,926,215</u>	<u>\$ 3,801,850</u>	<u>\$ 32,493,529</u>
Capital Assets, being depreciated:				
Land improvements	\$ 10,094,700	\$ -	\$ -	\$ 10,094,700
Buildings and improvements	44,172,949	-	-	44,172,949
Infrastructure	97,757,718	5,644,736	-	103,402,454
Machinery and equipment	20,828,726	1,116,945	139,823	21,805,848
Total Capital Assets, being Depreciated	<u>172,854,093</u>	<u>6,761,681</u>	<u>139,823</u>	<u>179,475,951</u>
Less Accumulated Depreciation for				
Land improvements	6,846,067	290,129	-	7,136,196
Buildings and improvements	16,994,600	1,052,246	-	18,046,846
Infrastructure	57,293,318	2,029,894	-	59,323,212
Machinery and equipment	15,203,474	1,005,970	139,823	16,069,621
Total Accumulated Depreciation	<u>96,337,459</u>	<u>4,378,239</u>	<u>139,823</u>	<u>100,575,875</u>
Total Capital Assets, being Depreciated, net	<u>\$ 76,516,634</u>	<u>\$ 2,383,442</u>	<u>\$ -</u>	<u>\$ 78,900,076</u>
Capital Assets, net	<u>\$ 110,885,798</u>	<u>\$ 4,309,657</u>	<u>\$ 3,801,850</u>	<u>\$ 111,393,605</u>

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

Governmental Activities:	
General Government Support	\$ 214,478
Public Safety	303,915
Transportation	1,513,454
Economic Opportunity and Development	24,838
Culture and Recreation	726,541
Home and Community Services	<u>1,595,013</u>
Total Depreciation Expense	<u>\$ 4,378,239</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

E. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2022	New Issues	Redemptions	Balance December 31, 2022
Various Capital Projects	2008	12/08/23	4.24 %	\$ 1,197,250	\$ -	\$ 127,250	\$ 1,070,000
Various Capital Projects	2015	05/07/22	N/A	785,000	-	785,000	-
Water Meter Replacement	2022	10/12/23	3.65	-	1,811,000	-	1,811,000
				<u>\$ 1,982,250</u>	<u>\$ 1,811,000</u>	<u>\$ 912,250</u>	<u>\$ 2,881,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five 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.

Interest expenditures of \$18,564 were recorded in the fund financial statements in the funds identified below. Interest expense of \$26,668 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
General	\$ 9,133
Special Districts	<u>9,431</u>
	<u>\$ 18,564</u>

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
General Obligation Bonds Payable					
Capital Construction	\$ 12,655,000	\$ -	\$ 880,000	\$ 11,775,000	\$ 900,000
Other Non-Current Liabilities:					
Claims Payable	1,845,239	1,433,493	818,598	2,460,134	242,131
Compensated Absences	1,203,036	108,458	-	1,311,494	132,000
Net Pension Liability	3,365,089	-	2,278,695	1,086,394	-
Other Postemployment Benefit Liability	95,072,170	-	25,712,720	69,359,450	-
Total Other Non-Current Liabilities	<u>101,485,534</u>	<u>1,541,951</u>	<u>28,810,013</u>	<u>74,217,472</u>	<u>374,131</u>
Total Long-Term Liabilities	<u>\$ 114,140,534</u>	<u>\$ 1,541,951</u>	<u>\$ 29,690,013</u>	<u>\$ 85,992,472</u>	<u>\$ 1,274,131</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for bonds, compensated absences, net pension liability and other postemployment benefit obligations is liquidated by the respective fund. Claims are paid by the Internal Service Fund - Workers' Compensation Benefits Fund, which is funded by the various governmental funds.

General Obligation Bonds Payable

Bonds payable at December 31, 2022 are comprised of the following individual issues:

<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, 2022</u>
Sewer District Improvements	2002	\$ 670,800	October, 2031	4.982 - 5.082 %	\$ 135,000
Sewer District Improvements	2003	5,644,195	July, 2030	5.5986 - 6.306	1,760,000
Sewer District Improvements	2004	5,960,770	May, 2033	4.475 - 4.625	2,760,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.585 - 4.656	7,120,000
					<u>\$ 11,775,000</u>

Interest expenditures of \$235,845 were recorded in the fund financial statements in the Special District Funds.

Interest expense of \$229,327 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2022 including interest payments of \$3,907,978 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 900,000	\$ 566,164	\$ 1,466,164
2024	935,000	520,187	1,455,187
2025	965,000	471,960	1,436,960
2026	845,000	421,943	1,266,943
2027	870,000	379,611	1,249,611
2028-2032	4,320,000	1,221,710	5,541,710
2033-2037	2,940,000	326,403	3,266,403
	<u>\$ 11,775,000</u>	<u>\$ 3,907,978</u>	<u>\$ 15,682,978</u>

The above general obligation bonds are direct borrowings of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Margin

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

Claims Payable

The Internal Service Funds and the government-wide financial statements reflect workers' compensation liabilities and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities for the years ended December 31, 2022 and 2021 is as follows:

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	\$ 1,501,730	\$ 343,509	\$ 1,466,962	\$ 191,259
Provision for Claims and Claims Adjustment Expenses	1,016,246	417,247	949,310	177,250
Claims and Claims Adjustment Expenses Paid	<u>(796,666)</u>	<u>(21,932)</u>	<u>(914,542)</u>	<u>(25,000)</u>
Balance - End of Year	<u>\$ 1,721,310</u>	<u>\$ 738,824</u>	<u>\$ 1,501,730</u>	<u>\$ 343,509</u>
Due Within One Year	<u>\$ 172,131</u>	<u>\$ 70,000</u>	<u>\$ 212,755</u>	<u>\$ 34,000</u>

Compensated Absences

The collective bargaining agreements with the Superior Police Officers and all other Police Officers provide that an officer with twenty years of service shall be compensated for 75% of accumulated sick leave at current salary rates. Employees with ten years of service and who have attained the age of 55 are entitled to 50% of their accumulated sick leave. All employees are compensated for unused vacation leave upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. 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 net 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who 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 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	17.5 %
	3 A14	13.0
	4 A15	13.0
	5 A15	11.1
	6 A15	8.2
PFRS	2 384D	29.0 %
	5 384D	25.0
	6 375I	11.8
	6 384D	20.2

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2022, the Town reported the following for its proportionate share of the net pension liability (asset) for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2022	March 31, 2022
Net pension liability (asset)	\$ (3,351,351)	\$ 1,086,394
Town's proportion of the net pension liability (asset)	0.0409972%	0.1912516%
Change in proportion since the prior measurement date	0.0017137%	-0.0003062%

The net pension liability (asset) was measured as of March 31, 2022 and the total pension liability (asset) 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 (asset) 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, 2022, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$336,338 for ERS and \$1,021,248 for PFRS. Pension expenditures of \$1,685,654 for ERS and \$1,961,590 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 912,895	\$ 1,961,590
Highway	210,826	-
Special Districts	420,401	-
Library	<u>141,532</u>	<u>-</u>
Total	<u>\$ 1,685,654</u>	<u>\$ 1,961,590</u>

At December 31, 2022, 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>PFRS</u>		<u>Total</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 253,802	\$ 329,196	\$ 585,683	\$ -	\$ 839,485	\$ 329,196
Changes of assumptions	5,593,029	94,376	6,502,306	-	12,095,335	94,376
Net difference between projected and actual earnings on pension plan investments	-	10,974,270	-	9,128,551	-	20,102,821
Changes in proportion and differences between Town contributions and proportionate share of contributions	583,053	166,141	229,434	280,088	812,487	446,229
Town contributions subsequent to the measurement date	<u>1,168,853</u>	<u>-</u>	<u>1,462,459</u>	<u>-</u>	<u>2,631,312</u>	<u>-</u>
	<u>\$ 7,598,737</u>	<u>\$ 11,563,983</u>	<u>\$ 8,779,882</u>	<u>\$ 9,408,639</u>	<u>\$ 16,378,619</u>	<u>\$ 20,972,622</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

\$1,168,853 and \$1,462,459 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting 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's year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2023	\$ (695,495)	\$ (444,111)
2024	(1,148,788)	(747,704)
2025	(2,767,643)	(2,141,991)
2026	(522,173)	1,231,460
2027	-	11,130
	<u>\$ (5,134,099)</u>	<u>\$ (2,091,216)</u>

The total pension liability for the ERS and PFRS 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:

	ERS	PFRS
Measurement date	March 31, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

*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-2020.

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 Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

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 asset allocation is summarized in the following table.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic Portfolio / ARS portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	0.00
Cash	1	(1.00)
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.7%.

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 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:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the ERS net pension liability (asset)	\$ 8,626,340	\$ (3,351,351)	\$ (13,370,112)
Town's proportionate share of the PFRS net pension liability (asset)	\$ 12,084,461	\$ 1,086,394	\$ (8,017,085)

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2022 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 223,874,888,000	\$ 42,237,292,000	\$ 266,112,180,000
Fiduciary net position	232,049,473,000	41,669,250,000	273,718,723,000
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>	<u>\$ 568,042,000</u>	<u>\$ (7,606,543,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>98.66%</u>	<u>102.86%</u>

Employer contributions to ERS and PFRS 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, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2022 were \$1,168,853 and \$1,462,459, respectively.

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.

Other Postemployment Benefit Liability ("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.

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	143
Active employees	<u>234</u>
	<u><u>377</u></u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The Town's total OPEB liability of \$69,359,450 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.31%
Healthcare cost trend rates	8.0% for 2023, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2030 and thereafter
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the PUB-2010 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2021.

The actuarial assumptions used in the January 1, 2022 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The Town's change in the total OPEB liability for the year ended December 31, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 95,072,170
Service cost	3,764,679
Interest	2,116,622
Differences between expected and actual experience	(1,037,288)
Changes in assumptions or other inputs	(28,556,560)
Benefit payments	<u>(2,000,173)</u>
Total OPEB Liability - End of Year	<u><u>\$ 69,359,450</u></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 (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	<u>\$ 80,795,132</u>	<u>\$ 69,359,450</u>	<u>\$ 60,202,180</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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 (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 59,468,217</u>	<u>\$ 69,359,450</u>	<u>\$ 81,950,900</u>

For the year ended December 31, 2022, the Town recognized OPEB expense of \$2,853,766 in the government-wide financial statements. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 2,392,743	\$ 3,862,929
Differences between expected and actual experience	<u>13,299,758</u>	<u>27,230,366</u>
	<u>\$ 15,692,501</u>	<u>\$ 31,093,295</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>	
2023	\$ (3,027,535)
2024	(3,049,305)
2025	(2,872,516)
2026	(1,172,300)
2027	(5,279,138)
Thereafter	<u>-</u>
	<u>\$ (15,400,794)</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

G. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2022, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 546,714
Highway Fund	517,318
Special Districts Fund	1,660,277
Non-Major Governmental Funds	<u>33,989</u>
	<u>\$ 2,758,298</u>

H. 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:

Transfers Out	Transfers In				Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	
General Fund	\$ -	\$ 331,000	\$ -	\$ 2,735,245	\$ 3,066,245
Highway Fund	-	-	-	392,371	392,371
Special Districts Fund	1,498,400	183,000	208,250	1,700,682	3,590,332
Capital Projects Fund	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>326,465</u>	<u>331,465</u>
	<u>\$ 1,503,400</u>	<u>\$ 514,000</u>	<u>\$ 208,250</u>	<u>\$ 5,154,763</u>	<u>\$ 7,380,413</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts earmarked in the operating funds to fulfill commitments for General, Highway and Special District funds expenditures.

I. 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.

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Restricted for Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the gift or grant.

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as 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 Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2022					2021						
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 700,310	\$ 46,042	\$ 96,699	\$ -	\$ 34,710	\$ 877,761	\$ 773,556	\$ 72,701	\$ 130,306	\$ -	\$ 47,833	\$ 1,024,396
Restricted												
Employee benefit accrued liability	1,050,917	-	294,892	-	110,191	1,456,000	872,699	-	215,194	-	105,985	1,193,878
Debt service	-	-	1,151,093	-	63,518	1,214,611	-	-	1,151,093	-	62,800	1,213,893
Parklands	-	-	-	-	681,824	681,824	-	-	-	-	554,238	554,238
Trusts	-	-	-	-	708,463	708,463	-	-	-	-	710,298	710,298
Community development	-	-	-	-	55,986	55,986	-	-	-	-	74,597	74,597
Capital projects	-	-	-	1,808,158	-	1,808,158	-	-	-	-	-	-
PILOT Tax protection	200,000	-	-	-	-	200,000	-	-	-	-	-	-
Total Restricted	1,250,917	-	1,445,985	1,808,158	1,619,982	6,125,042	872,699	-	1,366,287	-	1,507,918	3,746,904
Assigned												
Purchases on order												
General government support	163,302	-	-	-	-	163,302	224,619	-	-	-	-	224,619
Public safety	232,044	-	-	-	-	232,044	254,898	-	-	-	-	254,898
Transportation	13,234	517,318	-	-	-	530,552	6,010	482,291	-	-	-	488,301
Economic opportunity and development	3,922	-	-	-	-	3,922	1,609	-	-	-	-	1,609
Culture and recreation	131,207	-	55,075	-	33,989	220,271	163,025	-	47,918	-	20,320	231,263
Home and community services	3,005	-	1,605,202	-	-	1,608,207	1,003	-	873,113	-	-	874,116
	546,714	517,318	1,660,277	-	33,989	2,758,298	651,164	482,291	921,031	-	20,320	2,074,806
Subsequent year's expenditures	1,150,000	-	309,610	-	100,000	1,559,610	925,000	-	419,955	-	65,000	1,409,955
Tax certiorari	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810
Ballpark	-	-	-	-	-	-	-	-	-	-	-	-
Major funds	-	2,509,924	7,577,550	-	-	10,087,474	-	2,094,588	8,305,612	-	-	10,400,200
Non-major funds												
Public Library	-	-	-	-	2,004,776	2,004,776	-	-	-	-	1,966,085	1,966,085
Total Assigned	2,226,524	3,027,242	9,547,437	-	2,138,765	16,939,968	2,105,974	2,576,879	9,646,598	-	2,051,405	16,380,856
Unassigned	27,074,301	-	-	-	-	27,074,301	22,274,392	-	-	(1,088,926)	-	21,185,466
Total Fund Balances	\$ 31,252,052	\$ 3,073,284	\$ 11,090,121	\$ 1,808,158	\$ 3,793,457	\$ 51,017,072	\$ 26,026,621	\$ 2,649,580	\$ 11,143,191	\$ (1,088,926)	\$ 3,607,156	\$ 42,337,622

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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.

Prepaid Expenditures has been established to account for retirement and health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide Town to complete the transactions.

Subsequent year's expenditures represent that at December 31, 2022, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for tax certiorari is used to segregate a portion of the fund balance of the General Fund to be utilized for potential tax certiorari settlements.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

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, property damage or personal injury. There are also numerous tort claims pending against the Town. Town management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town. The Town's claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Internal Service Funds are sufficient to satisfy any payments arising therefrom.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Risk Management

The Town has General Liability coverage with limits of \$1,000,000 each occurrence with a \$3,000,000 general aggregate with a deductible of \$25,000 each occurrence. Additional coverage has been purchased for liability claims with a limit of \$10,000,000 each occurrence with a

Town of Yorktown, New York

Notes to Financial Statements (Concluded)
December 31, 2022

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

\$10,000,000 aggregate. In addition, the Town purchased insurance for Workers Compensation benefits with a maximum limit of \$10,000,000 with a self-retention limit per occurrence for police officers of \$650,000 and for all other Town employees of \$575,000. The governmental funds are charged premiums by the Internal Service Funds. Accrued liabilities in the Internal Service Funds include provisions for claims reported and claims incurred but not reported.

C. Contingencies

The Town participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. 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 - Tax Abatements

The Town has real property tax abatement agreements exempt under Real Property Tax Law and General Municipal Law. However, the total value of the tax abatement agreements for the year ended December 31, 2022 aggregated less than \$50,000 and, therefore, detail information has been excluded from these financial statements.

Note 6 - Subsequent Event

During March 2023, Signature Bank ("Bank") has been closed by the New York Department of Financial Services, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. As of March 12, 2023, the Town had deposit accounts with the Bank with an aggregate balance of approximately \$50 million.

As of March 12, 2023, the FDIC has taken over all deposits of the Bank and has stated that all depositors will be made whole even though they exceed the FDIC limits of \$250,000. At this time, the Town expects to continue to be able to meet its payroll and other obligations through its other banking providers. However, due to disruptions to the U.S. banking system caused by the recent developments involving the Bank, the Town may experience delays in its ability to transfer funds whether held with the Bank or otherwise. The Town was able to transfer approximately \$34.2 million of its deposit accounts from the Bank to its other banking providers.

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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 this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Town of Yorktown, New York

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

	2022 (7)	2021 (6)	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 3,764,679	\$ 3,771,599	\$ 2,785,711	\$ 2,571,260	\$ 2,566,792
Interest	2,116,622	1,768,114	2,349,556	2,447,161	2,319,488
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,037,288)	3,190,323	(1,673,329) (5)	(3,774,747) (4)	(174,181)
Changes of assumptions or other inputs	(28,556,560)	(4,577,643)	17,407,024	4,840,736	-
Benefit payments	(2,000,173)	(1,384,684)	(1,273,572)	(1,210,048)	(1,199,167)
Net Change in Total OPEB Liability	(25,712,720)	2,767,709	19,595,390	4,874,362	3,512,932
Total OPEB Liability – Beginning of Year	95,072,170	92,304,461	72,709,071	67,834,709	64,321,777 (3)
Total OPEB Liability – End of Year	\$ 69,359,450	\$ 95,072,170	\$ 92,304,461	\$ 72,709,071	\$ 67,834,709
Town's covered employee payroll	\$ 23,168,199	\$ 22,471,753	\$ 21,768,510	\$ 22,447,549	\$ 21,403,200
Total OPEB liability as a percentage of covered employee payroll	299.37%	423.07%	424.03%	323.91%	324.11%

Notes to Schedule:

- (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.
- (4) The discount rate used to calculate the total OPEB liability was decreased from 3.64% to 3.26%.
- (5) The discount rate used to calculate the total OPEB liability was decreased from 3.26% to 1.93%.
- (6) The discount rate used to calculate the total OPEB liability was increased from 1.93% to 2.25%.
- (7) The discount rate used to calculate the total OPEB liability was increased from 2.25% to 4.31%.

See Independent auditor's report.

Town of Yorktown, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) (2)

	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	<u>0.0409972%</u>	<u>0.0392835%</u>	<u>0.0404489%</u>	<u>0.0439678%</u>	<u>0.0418559%</u>	<u>0.0417594%</u>	<u>0.0432489%</u>	<u>0.0434200%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ (3,351,351)</u>	<u>\$ 39,116</u>	<u>\$ 10,711,093</u>	<u>\$ 3,115,251</u>	<u>\$ 1,350,877</u>	<u>\$ 3,923,810</u>	<u>\$ 6,941,563</u>	<u>\$ 1,466,832</u>
Town's covered payroll	<u>\$ 13,942,101</u>	<u>\$ 13,147,788</u>	<u>\$ 12,779,096</u>	<u>\$ 12,742,561</u>	<u>\$ 13,360,032</u>	<u>\$ 12,154,048</u>	<u>\$ 12,132,399</u>	<u>\$ 11,936,220</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(24.04%)</u>	<u>0.30%</u>	<u>83.82%</u>	<u>24.45%</u>	<u>10.11%</u>	<u>32.28%</u>	<u>57.22%</u>	<u>12.29%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>103.65%</u>	<u>99.95%</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>
Discount rate	<u>5.90%</u>	<u>5.90%</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>

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,067,207</u>	<u>\$ 1,815,612</u>	<u>\$ 1,805,198</u>	<u>\$ 1,915,193</u>	<u>\$ 1,787,711</u>	<u>\$ 1,830,213</u>	<u>\$ 2,319,499</u>	<u>\$ 1,584,829</u>
Contributions in relation to the contractually required contribution	<u>(2,067,207)</u>	<u>(1,815,612)</u>	<u>(1,805,198)</u>	<u>(1,915,193)</u>	<u>(1,787,711)</u>	<u>(1,830,213)</u>	<u>(2,319,499)</u>	<u>(1,584,829)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 13,943,412</u>	<u>\$ 13,489,267</u>	<u>\$ 13,168,990</u>	<u>\$ 13,073,092</u>	<u>\$ 12,763,761</u>	<u>\$ 12,911,179</u>	<u>\$ 11,336,997</u>	<u>\$ 11,687,962</u>
Contributions as a percentage of covered payroll	<u>14.83%</u>	<u>13.46%</u>	<u>13.71%</u>	<u>14.65%</u>	<u>14.01%</u>	<u>14.18%</u>	<u>20.46%</u>	<u>13.56%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

(3) 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.

(4) 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.

Town of Yorktown, New York

Required Supplementary Information
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	<u>0.1912516%</u>	<u>0.1915578%</u>	<u>0.1773810%</u>	<u>0.1815180%</u>	<u>0.1809774%</u>	<u>0.1676127%</u>	<u>0.1728952%</u>	<u>0.1603990%</u>
Town's proportionate share of the net pension liability	<u>\$ 1,086,394</u>	<u>\$ 3,325,973</u>	<u>\$ 9,480,904</u>	<u>\$ 3,044,171</u>	<u>\$ 1,829,242</u>	<u>\$ 3,474,028</u>	<u>\$ 5,119,060</u>	<u>\$ 441,513</u>
Town's covered payroll	<u>\$ 7,911,847</u>	<u>\$ 7,713,418</u>	<u>\$ 7,544,387</u>	<u>\$ 7,023,013</u>	<u>\$ 6,946,269</u>	<u>\$ 6,758,605</u>	<u>\$ 6,309,161</u>	<u>\$ 6,120,486</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>13.73%</u>	<u>43.12%</u>	<u>125.67%</u>	<u>43.35%</u>	<u>26.33%</u>	<u>51.40%</u>	<u>81.14%</u>	<u>7.21%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.66%</u>	<u>95.79%</u>	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>
Discount rate	<u>5.90%</u>	<u>5.90%</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>

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,010,887</u>	<u>\$ 1,648,439</u>	<u>\$ 1,499,481</u>	<u>\$ 1,501,539</u>	<u>\$ 1,555,480</u>	<u>\$ 1,444,033</u>	<u>\$ 1,427,123</u>	<u>\$ 1,080,555</u>
Contributions in relation to the contractually required contribution	<u>(2,010,887)</u>	<u>(1,648,439)</u>	<u>(1,499,481)</u>	<u>(1,501,539)</u>	<u>(1,555,480)</u>	<u>(1,444,033)</u>	<u>(1,427,123)</u>	<u>(1,080,555)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 7,885,347</u>	<u>\$ 7,627,596</u>	<u>\$ 7,836,943</u>	<u>\$ 7,492,230</u>	<u>\$ 6,990,107</u>	<u>\$ 6,705,946</u>	<u>\$ 6,189,568</u>	<u>\$ 5,942,839</u>
Contributions as a percentage of covered payroll	<u>25.50%</u>	<u>21.61%</u>	<u>19.13%</u>	<u>20.04%</u>	<u>22.25%</u>	<u>21.53%</u>	<u>23.06%</u>	<u>18.18%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

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

See independent auditors' report.

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Town of Yorktown, New York

General Fund
 Comparative Balance Sheet
 December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 35,211,297	\$ 27,927,968
Taxes receivable		
Town and County taxes	451,657	384,698
Taxes receivable - Overdue	3,727,128	3,560,475
Property acquired for taxes	559,153	559,153
	4,737,938	4,504,326
Allowance for uncollectible taxes	(2,442,085)	(1,990,414)
	2,295,853	2,513,912
Other receivables		
Accounts	260,792	518,910
Leases	6,005,156	-
Due from other governments	2,468,557	2,305,567
Due from other funds	20,641	22,240
	8,755,146	2,846,717
Prepaid expenditures	700,310	773,556
Total Assets	<u>\$ 46,962,606</u>	<u>\$ 34,062,153</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,022,752	\$ 991,955
Deposits payable	2,201,456	2,096,836
Employee payroll deductions	154,721	131,600
Unearned revenue	3,721,510	1,861,567
Due to other funds	288,245	288,245
Total Liabilities	7,388,684	5,370,203
Deferred inflows of resources		
Taxes collected in advance	158,743	163,545
Deferred tax revenues	2,218,223	2,501,784
Lease related	5,944,904	-
Total Deferred Inflows of Resources	8,321,870	2,665,329
Total Liabilities and Deferred Inflows of Resources	15,710,554	8,035,532
Fund balance		
Nonspendable	700,310	773,556
Restricted	1,250,917	872,699
Assigned	2,226,524	2,105,974
Unassigned	27,074,301	22,274,392
Total Fund Balance	31,252,052	26,026,621
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 46,962,606</u>	<u>\$ 34,062,153</u>

See independent auditors' report

Town of Yorktown, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 13,499,966	\$ 13,499,966	\$ 13,345,766	\$ (154,200)
Other tax items	859,250	859,250	701,905	(157,345)
Non-property taxes	7,821,500	7,821,500	10,372,607	2,551,107
Departmental income	3,321,000	3,321,000	3,238,066	(82,934)
Use of money and property	721,250	721,250	1,207,241	485,991
Licenses and permits	1,328,000	1,328,000	1,368,945	40,945
Fines and forfeitures	450,000	450,000	705,660	255,660
Sale of property and compensation for loss	2,500	2,500	33,996	31,496
State aid	1,790,000	1,790,000	3,508,553	1,718,553
Federal aid	60,000	60,000	2,033,813	1,973,813
Miscellaneous	87,500	87,500	186,332	98,832
Total Revenues	29,940,966	29,940,966	36,702,884	6,761,918
EXPENDITURES				
Current				
General government support	7,716,934	8,321,704	7,241,712	1,079,992
Public safety	12,014,348	12,220,089	11,568,167	651,922
Health	1,250	1,250	-	1,250
Transportation	435,060	437,960	407,624	30,336
Economic opportunity and development	862,975	860,106	794,556	65,550
Culture and recreation	3,739,920	3,939,477	3,470,079	469,398
Home and community services	729,053	735,496	641,564	93,932
Employee benefits	6,921,490	7,292,024	5,824,168	1,467,856
Debt service				
Interest	9,500	9,500	9,133	367
Total Expenditures	32,430,530	33,817,606	29,957,003	3,860,603
Excess (Deficiency) of Revenues Over Expenditures	(2,489,564)	(3,876,640)	6,745,881	10,622,521
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	-	42,395	42,395
Transfers in	1,498,400	1,498,400	1,503,400	5,000
Transfers out	(585,000)	(3,066,245)	(3,066,245)	-
Total Other Financing Sources (Uses)	913,400	(1,567,845)	(1,520,450)	47,395
Net Change in Fund Balance	(1,576,164)	(5,444,485)	5,225,431	10,669,916
FUND BALANCE				
Beginning of Year	1,576,164	5,444,485	26,026,621	20,582,136
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,252,052</u>	<u>\$ 31,252,052</u>

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 13,474,573	\$ 13,474,573	\$ 13,259,477	\$ (215,096)
842,500	842,500	707,380	(135,120)
7,046,500	7,046,500	9,631,502	2,585,002
3,098,150	3,098,150	2,647,990	(450,160)
1,053,500	1,053,500	688,541	(364,959)
1,093,000	1,093,000	1,534,067	441,067
450,000	450,000	511,090	61,090
5,000	5,000	3,203	(1,797)
1,322,500	1,322,500	2,817,422	1,494,922
60,000	60,000	116,338	56,338
52,500	52,500	165,288	112,788
<u>28,498,223</u>	<u>28,498,223</u>	<u>32,082,298</u>	<u>3,584,075</u>
7,522,531	7,381,715	6,428,514	953,201
11,751,745	11,904,349	10,982,289	922,060
1,250	1,250	-	1,250
421,838	446,714	426,486	20,228
844,660	840,026	790,371	49,655
3,586,004	3,746,933	3,220,825	526,108
681,549	718,929	603,379	115,550
5,627,700	6,393,507	5,727,317	666,190
18,500	18,500	18,470	30
<u>30,455,777</u>	<u>31,451,923</u>	<u>28,197,651</u>	<u>3,254,272</u>
<u>(1,957,554)</u>	<u>(2,953,700)</u>	<u>3,884,647</u>	<u>6,838,347</u>
-	-	31,973	31,973
1,430,155	1,430,155	1,430,155	-
(568,725)	(2,528,176)	(2,503,176)	25,000
<u>861,430</u>	<u>(1,098,021)</u>	<u>(1,041,048)</u>	<u>56,973</u>
(1,096,124)	(4,051,721)	2,843,599	6,895,320
<u>1,096,124</u>	<u>4,051,721</u>	<u>23,183,022</u>	<u>19,131,301</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,026,621</u>	<u>\$ 26,026,621</u>

Town of Yorktown, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2022
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
REAL PROPERTY TAXES	\$ 13,499,966	\$ 13,499,966	\$ 13,345,766	\$ (154,200)	\$ 13,259,477
OTHER TAX ITEMS					
Interest and penalties on real property taxes	800,000	800,000	638,642	(161,358)	661,465
Payments in lieu of taxes	59,250	59,250	63,263	4,013	45,915
	<u>859,250</u>	<u>859,250</u>	<u>701,905</u>	<u>(157,345)</u>	<u>707,380</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	6,850,000	6,850,000	9,482,274	2,632,274	8,692,914
Franchise fees	971,500	971,500	890,333	(81,167)	938,588
	<u>7,821,500</u>	<u>7,821,500</u>	<u>10,372,607</u>	<u>2,551,107</u>	<u>9,631,502</u>
DEPARTMENTAL INCOME					
Tax collector fees	3,000	3,000	1,749	(1,251)	3,185
Town Clerk fees	40,500	40,500	52,372	11,872	58,505
Police fees	4,500	4,500	3,089	(1,411)	2,861
Police alarm fees	15,000	15,000	2,175	(12,825)	2,245
Parks and recreation fees	1,257,500	1,257,500	1,249,549	(7,951)	786,009
Planning Board fees	75,750	75,750	69,891	(5,859)	69,639
Zoning fees	13,500	13,500	12,777	(723)	10,714
Inspection fees	175,000	175,000	171,610	(3,390)	145,590
Title search fees	41,500	41,500	33,135	(8,365)	41,605
General administration fees	17,750	17,750	9,227	(8,523)	13,954
Advisory Board Architectural Community Appearance (ABACA)	7,500	7,500	16,375	8,875	3,443
Assessors fees	1,000	1,000	273	(727)	166
School resources officers	1,167,250	1,167,250	1,166,325	(925)	1,067,000
Services to other governments	327,500	327,500	266,253	(61,247)	246,620
Driving While Intoxicated Program	2,250	2,250	11,669	9,419	2,977
Section 8 Housing Assistance Fund reimbursement	171,500	171,500	171,597	97	193,477
	<u>3,321,000</u>	<u>3,321,000</u>	<u>3,238,066</u>	<u>(82,934)</u>	<u>2,647,990</u>

USE OF MONEY AND PROPERTY

Earnings on investments	92,250	92,250	490,246	397,996	80,157
Rental of real property	429,000	429,000	539,304	110,304	443,604
Special facility charges (YCCC)	200,000	200,000	177,691	(22,309)	164,780

	<u>721,250</u>	<u>721,250</u>	<u>1,207,241</u>	<u>485,991</u>	<u>688,541</u>
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LICENSES AND PERMITS

Wetlands permits	2,500	2,500	5,400	2,900	1,800
Certificates of occupancy	27,500	27,500	24,570	(2,930)	24,608
Bingo licenses	-	-	520	520	-
Dog license fund apportionment	14,500	14,500	14,909	409	12,756
Building permits	1,188,500	1,188,500	1,201,292	12,792	1,400,750
Plumbing fees	95,000	95,000	121,279	26,279	93,903
Non-conforming building permits	-	-	975	975	250

	<u>1,328,000</u>	<u>1,328,000</u>	<u>1,368,945</u>	<u>40,945</u>	<u>1,534,067</u>
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FINES AND FORFEITURES

Fines and forfeited bail	450,000	450,000	705,660	255,660	511,090
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	2,500	2,500	-	(2,500)	2
Insurance recoveries	-	-	33,996	33,996	3,201

	<u>2,500</u>	<u>2,500</u>	<u>33,996</u>	<u>31,496</u>	<u>3,203</u>
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STATE AID

Per capita	-	-	176,777	176,777	176,777
Mortgage tax	1,740,000	1,740,000	1,881,356	141,356	2,591,767
Nutrition program	50,000	50,000	83,501	33,501	48,878
Court grant	-	-	10,000	10,000	-
Emergency management assistance	-	-	2,023	2,023	-
Other	-	-	1,354,896	1,354,896	-

	<u>1,790,000</u>	<u>1,790,000</u>	<u>3,508,553</u>	<u>1,718,553</u>	<u>2,817,422</u>
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FEDERAL AID

Emergency management assistance	-	-	18,205	18,205	-
Nutrition program	60,000	60,000	95,570	35,570	116,338
Bulletproof vest	-	-	10,442	10,442	-
Other	-	-	1,909,596	1,909,596	-

	<u>60,000</u>	<u>60,000</u>	<u>2,033,813</u>	<u>1,973,813</u>	<u>116,338</u>
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Town of Yorktown, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2022
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)	\$ 3,379
County grants	10,000	10,000	41,371	31,371	25,088
Unclassified	72,500	72,500	144,961	72,461	136,821
	<u>87,500</u>	<u>87,500</u>	<u>186,332</u>	<u>98,832</u>	<u>165,288</u>
TOTAL REVENUES	<u>29,940,966</u>	<u>29,940,966</u>	<u>36,702,884</u>	<u>6,761,918</u>	<u>32,082,298</u>
OTHER FINANCING SOURCES					
Sale of equipment	-	-	42,395	42,395	31,973
Transfers in					
Capital Projects Fund	-	-	5,000	5,000	-
Special Districts Fund					
Consolidated Water District	569,500	569,500	569,500	-	562,750
Sewer Districts	649,150	649,150	649,150	-	591,405
Refuse District	250,000	250,000	250,000	-	250,000
Park Districts	29,750	29,750	29,750	-	26,000
	<u>1,498,400</u>	<u>1,498,400</u>	<u>1,503,400</u>	<u>5,000</u>	<u>1,430,155</u>
TOTAL OTHER FINANCING SOURCES	<u>1,498,400</u>	<u>1,498,400</u>	<u>1,545,795</u>	<u>47,395</u>	<u>1,462,128</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 31,439,366</u>	<u>\$ 31,439,366</u>	<u>\$ 38,248,679</u>	<u>\$ 6,809,313</u>	<u>\$ 33,544,426</u>

See independent auditors' report.

Town of Yorktown, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2022
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 208,125	\$ 474,818	\$ 423,753	\$ 51,065	\$ 170,912
Town Justice	709,800	737,041	690,914	46,127	617,316
Supervisor	530,475	595,222	535,510	59,712	527,544
Finance	717,320	718,128	703,792	14,336	662,311
Auditor	50,000	50,000	48,513	1,487	47,205
Receiver of Taxes	254,650	254,649	247,629	7,020	234,256
Purchasing	201,000	355,051	269,527	85,524	198,601
Board of Assessors	535,000	535,170	408,574	126,596	426,689
Town Clerk	450,100	450,614	443,505	7,109	396,989
Town Attorney	381,975	449,437	354,989	94,448	320,734
Engineer	724,094	638,785	555,383	83,402	579,843
Elections	115,750	116,021	116,015	6	110,945
Buildings	954,200	1,079,310	983,887	95,423	989,190
Community and cultural center	282,850	319,379	118,342	201,037	178,826
Public safety facilities	217,500	240,564	235,307	5,257	231,039
Central services	50,720	51,204	36,324	14,880	50,750
Central garage	347,125	399,295	373,984	25,311	303,187
Unallocated insurance	325,000	617,860	600,545	17,315	305,210
Municipal association dues	3,000	3,000	2,800	200	1,800
Taxes on Town-owned property	50,000	37,625	17,024	20,601	12,142
Property tax refunds	100,000	93,775	22,760	71,015	11,832
Metropolitan commuter transportation mobility tax	58,250	58,250	52,635	5,615	51,193
Contingency	450,000	46,506	-	46,506	-
	<u>7,716,934</u>	<u>8,321,704</u>	<u>7,241,712</u>	<u>1,079,992</u>	<u>6,428,514</u>
PUBLIC SAFETY					
Police Department	11,011,848	11,149,492	10,712,340	437,152	10,129,876
Traffic control	25,000	92,722	83,430	9,292	32,308
Jail	500	500	-	500	22
Building inspector	977,000	977,375	772,397	204,978	820,083
	<u>12,014,348</u>	<u>12,220,089</u>	<u>11,568,167</u>	<u>651,922</u>	<u>10,982,289</u>
HEALTH					
Health services	1,250	1,250	-	1,250	-

TRANSPORTATION

Superintendent of Highways	266,550	266,650	266,094	556	255,354
Street lighting	168,510	171,310	141,530	29,780	171,132
	<u>435,060</u>	<u>437,960</u>	<u>407,624</u>	<u>30,336</u>	<u>426,486</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Nutrition program	860,475	857,606	793,040	64,566	789,216
Historical celebrations	2,500	2,500	1,516	984	1,155
	<u>862,975</u>	<u>860,106</u>	<u>794,556</u>	<u>65,550</u>	<u>790,371</u>

CULTURE AND RECREATION

Recreation administration	679,320	695,767	620,882	74,885	594,368
Playgrounds and recreation centers	1,832,300	2,053,634	1,735,659	317,975	1,820,352
Swimming pool	404,250	468,773	420,799	47,974	384,502
Special events	22,350	22,866	22,148	718	22,635
Adult recreation	47,500	42,039	39,081	2,958	18,546
Youth programs	643,950	545,343	522,837	22,506	287,184
Museum	79,500	79,553	79,474	79	75,684
Senior citizens program	30,750	31,502	29,199	2,303	17,554
	<u>3,739,920</u>	<u>3,939,477</u>	<u>3,470,079</u>	<u>469,398</u>	<u>3,220,825</u>

HOME AND COMMUNITY SERVICES

Zoning Board	3,000	3,986	2,556	1,430	2,619
Section 8 Housing	140,325	143,285	140,344	2,941	159,778
Planning Board	532,728	531,725	442,444	89,281	435,057
Conservation	3,000	3,000	2,950	50	5,925
Open space forestry	50,000	53,500	53,270	230	-
	<u>729,053</u>	<u>735,496</u>	<u>641,564</u>	<u>93,932</u>	<u>603,379</u>

EMPLOYEE BENEFITS

State retirement	1,283,000	1,280,910	912,895	368,015	1,060,300
Police retirement	2,175,500	2,175,500	1,961,590	213,910	1,909,498
Social security	1,298,740	1,298,740	1,157,100	141,640	1,127,223
Hospital, medical and dental insurance	1,929,750	1,924,750	1,237,228	687,522	1,068,238
Workers' compensation benefits	186,000	567,844	532,356	35,488	539,453
Unemployment benefits	7,500	7,500	6	7,494	-
Other	41,000	36,780	22,993	13,787	22,605
	<u>6,921,490</u>	<u>7,292,024</u>	<u>5,824,168</u>	<u>1,467,856</u>	<u>5,727,317</u>

(Continued)

Town of Yorktown, New York

General Fund

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

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
DEBT SERVICE					
Interest					
Bond anticipation notes	\$ 9,500	\$ 9,500	\$ 9,133	\$ 367	\$ 18,470
TOTAL EXPENDITURES	<u>32,430,530</u>	<u>33,817,606</u>	<u>29,957,003</u>	<u>3,860,603</u>	<u>28,197,651</u>
OTHER FINANCING USES					
Transfers out					
Highway Fund	25,000	331,000	331,000	-	1,008,725
Capital Projects Fund	<u>560,000</u>	<u>2,735,245</u>	<u>2,735,245</u>	<u>-</u>	<u>1,494,451</u>
TOTAL OTHER FINANCING USES	<u>585,000</u>	<u>3,066,245</u>	<u>3,066,245</u>	<u>-</u>	<u>2,503,176</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 33,015,530</u>	<u>\$ 36,883,851</u>	<u>\$ 33,023,248</u>	<u>\$ 3,860,603</u>	<u>\$ 30,700,827</u>

See independent auditors' report.

Town of Yorktown, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 3,660,304	\$ 2,752,995
Due from state and federal	-	90,669
Prepaid expenditures	<u>46,042</u>	<u>72,701</u>
 Total Assets	 <u><u>\$ 3,706,346</u></u>	 <u><u>\$ 2,916,365</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 582,447	\$ 201,170
Due to other funds	25,615	25,615
Unearned revenues	<u>25,000</u>	<u>40,000</u>
 Total Liabilities	 <u>633,062</u>	 <u>266,785</u>
 Fund balance		
Nonspendable	46,042	72,701
Assigned	<u>3,027,242</u>	<u>2,576,879</u>
 Total Fund Balance	 <u>3,073,284</u>	 <u>2,649,580</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,706,346</u></u>	 <u><u>\$ 2,916,365</u></u>

See independent auditors' report.

Town of Yorktown, New York

Highway Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 6,248,825	\$ 6,248,825	\$ 6,248,825	\$ -
Use of money and property	5,500	5,500	48,461	42,961
Sale of property and compensation for loss	-	-	4,013	4,013
State aid	600,000	600,000	1,003,689	403,689
Federal aid	-	-	295,471	295,471
Miscellaneous	55,000	55,000	95,411	40,411
Total Revenues	6,909,325	6,909,325	7,695,870	786,545
EXPENDITURES				
Current				
Transportation	6,800,366	7,683,330	6,751,429	931,901
Employee benefits	799,250	926,699	665,690	261,009
Debt service				
Interest	-	-	-	-
Total Expenditures	7,599,616	8,610,029	7,417,119	1,192,910
Excess (Deficiency) of Revenues Over Expenditures	(690,291)	(1,700,704)	278,751	1,979,455
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	23,324	23,324
Transfers in	208,000	514,000	514,000	-
Transfers out	-	(392,371)	(392,371)	-
Total Other Financing Sources (Uses)	208,000	121,629	144,953	23,324
Net Change in Fund Balance	(482,291)	(1,579,075)	423,704	2,002,779
FUND BALANCE				
Beginning of Year	482,291	1,579,075	2,649,580	1,070,505
End of Year	\$ -	\$ -	\$ 3,073,284	\$ 3,073,284

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 6,246,625 15,000	\$ 6,246,625 15,000	\$ 6,246,625 7,922	\$ - (7,078)
-	-	151,092	151,092
388,375	388,375	1,032,717	644,342
-	-	-	-
49,000	49,000	67,867	18,867
<u>6,699,000</u>	<u>6,699,000</u>	<u>7,506,223</u>	<u>807,223</u>
6,051,520 775,425	8,338,791 934,424	7,341,025 770,673	997,766 163,751
-	-	-	-
<u>6,826,945</u>	<u>9,273,215</u>	<u>8,111,698</u>	<u>1,161,517</u>
<u>(127,945)</u>	<u>(2,574,215)</u>	<u>(605,475)</u>	<u>1,968,740</u>
-	-	9,104	9,104
115,925	1,115,925	1,115,925	-
-	-	-	-
<u>115,925</u>	<u>1,115,925</u>	<u>1,125,029</u>	<u>9,104</u>
(12,020)	(1,458,290)	519,554	1,977,844
<u>12,020</u>	<u>1,458,290</u>	<u>2,130,026</u>	<u>671,736</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,649,580</u>	<u>\$ 2,649,580</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2022
 (With Comparative Totals for 2021)

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	\$ 3,028,996	\$ 4,618,289	\$ 1,052,901
Accounts receivable	1,765,764	597,190	-
Due from other governments	-	-	-
Due from other funds	13,596	600	-
Prepaid expenditures	49,419	28,006	19,274
Total Assets	<u>\$ 4,857,775</u>	<u>\$ 5,244,085</u>	<u>\$ 1,072,175</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 865,660	\$ 168,973	\$ 266,297
Fund balances			
Nonspendable	49,419	28,006	19,274
Restricted	487,988	798,191	132,328
Assigned	3,454,708	4,248,915	654,276
Total Fund Balances	<u>3,992,115</u>	<u>5,075,112</u>	<u>805,878</u>
Total Liabilities and Fund Balances	<u>\$ 4,857,775</u>	<u>\$ 5,244,085</u>	<u>\$ 1,072,175</u>

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals	
		2022	2021
\$ 1,129,452	\$ 140,152	\$ 9,969,790	\$ 10,166,618
-	-	2,362,954	1,390,367
16,800	-	16,800	787,143
-	-	14,196	14,196
-	-	96,699	130,306
<u>\$ 1,146,252</u>	<u>\$ 140,152</u>	<u>\$ 12,460,439</u>	<u>\$ 12,488,630</u>
<u>\$ 9,805</u>	<u>\$ 59,583</u>	<u>\$ 1,370,318</u>	<u>\$ 1,345,439</u>
-	-	96,699	130,306
27,478	-	1,445,985	1,366,287
1,108,969	80,569	9,547,437	9,646,598
<u>1,136,447</u>	<u>80,569</u>	<u>11,090,121</u>	<u>11,143,191</u>
<u>\$ 1,146,252</u>	<u>\$ 140,152</u>	<u>\$ 12,460,439</u>	<u>\$ 12,488,630</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2022
 (With Comparative Totals for 2021)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	\$ 1,686,800	\$ 3,295,779	\$ 4,331,600
Other tax items	-	95,000	25,750
Departmental income	8,329,179	552,746	51,981
Intergovernmental charges	-	926,775	-
Use of money and property	39,636	61,750	22,664
Sale of property and compensation for loss	62,981	-	-
State aid	190	4,535	-
Federal aid	1,707	40,819	-
Miscellaneous	1,629	13,791	13,164
	<u>10,122,122</u>	<u>4,991,195</u>	<u>4,445,159</u>
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	7,623,123	2,523,448	3,718,668
Employee benefits	854,912	273,035	214,252
Debt service			
Principal			
Serial bonds	-	880,000	-
Interest			
Serial bonds	3,670	232,126	-
Bond anticipation notes	-	9,431	-
	<u>8,481,705</u>	<u>3,918,040</u>	<u>3,932,920</u>
Excess of Revenues Over Expenditures	<u>1,640,417</u>	<u>1,073,155</u>	<u>512,239</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	208,250	-
Transfers out	(2,237,932)	(997,650)	(325,000)
	<u>(2,237,932)</u>	<u>(789,400)</u>	<u>(325,000)</u>
Net Change in Fund Balances	(597,515)	283,755	187,239
FUND BALANCES			
Beginning of Year	4,589,630	4,791,357	618,639
End of Year	<u>\$ 3,992,115</u>	<u>\$ 5,075,112</u>	<u>\$ 805,878</u>

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals	
		2022	2021
\$ 275,930	\$ 728,050	\$ 10,318,159	\$ 10,207,313
-	45	120,795	-
-	-	8,933,906	8,826,322
-	-	926,775	832,358
13,433	2,830	140,313	29,458
-	32,402	95,383	60,949
-	-	4,725	731,874
-	-	42,526	-
-	-	28,584	13,723
<u>289,363</u>	<u>763,327</u>	<u>20,611,166</u>	<u>20,701,997</u>
-	724,449	724,449	666,464
222,445	-	222,445	210,209
-	-	13,865,239	12,728,372
2,595	-	1,344,794	1,462,883
-	-	880,000	870,000
-	-	235,796	233,813
-	-	9,431	11,755
<u>225,040</u>	<u>724,449</u>	<u>17,282,154</u>	<u>16,183,496</u>
<u>64,323</u>	<u>38,878</u>	<u>3,329,012</u>	<u>4,518,501</u>
-	-	208,250	142,500
(29,750)	-	(3,590,332)	(2,305,581)
(29,750)	-	(3,382,082)	(2,163,081)
34,573	38,878	(53,070)	2,355,420
<u>1,101,874</u>	<u>41,691</u>	<u>11,143,191</u>	<u>8,787,771</u>
<u>\$ 1,136,447</u>	<u>\$ 80,569</u>	<u>\$ 11,090,121</u>	<u>\$ 11,143,191</u>

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2022
 (With Comparative Totals for 2021)

	Consolidated Water	Kitchawan Water	Totals	
			2022	2021
ASSETS				
Cash and equivalents	\$ 2,883,012	\$ 145,984	\$ 3,028,996	\$ 3,588,467
Accounts receivable	1,761,375	4,389	1,765,764	902,034
Due from other governments	-	-	-	734,005
Due from other funds	13,596	-	13,596	13,596
Prepaid expenditures	49,419	-	49,419	63,234
Total Assets	\$ 4,707,402	\$ 150,373	\$ 4,857,775	\$ 5,301,336
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 855,731	\$ 9,929	\$ 865,660	\$ 711,706
Fund balances				
Nonspendable	49,419	-	49,419	63,234
Restricted	487,988	-	487,988	463,547
Assigned	3,314,264	140,444	3,454,708	4,062,849
Total Fund Balances	3,851,671	140,444	3,992,115	4,589,630
Total Liabilities and Fund Balances	\$ 4,707,402	\$ 150,373	\$ 4,857,775	\$ 5,301,336

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Sub Funds
 Year Ended December 31, 2022
 (With Comparative Totals for 2021)

	Consolidated Water	Kitchawan Water	Totals	
			2022	2021
REVENUES				
Real property taxes	\$ 1,680,550	\$ 6,250	\$ 1,686,800	\$ 1,658,091
Departmental income	8,295,062	34,117	8,329,179	8,205,487
Use of money and property	37,991	1,645	39,636	6,535
Sale of property and compensation for loss	62,981	-	62,981	50,949
State aid	190	-	190	731,874
Federal aid	1,707	-	1,707	-
Miscellaneous	1,629	-	1,629	4,580
Total Revenues	10,080,110	42,012	10,122,122	10,657,516
EXPENDITURES				
Current				
Home and community services	7,582,863	40,260	7,623,123	6,728,619
Employee benefits	854,912	-	854,912	979,377
Debt service				
Interest				
Serial bonds	3,670	-	3,670	7,421
Total Expenditures	8,441,445	40,260	8,481,705	7,715,417
Excess of Revenues Over Expenditures	1,638,665	1,752	1,640,417	2,942,099
OTHER FINANCING USES				
Transfers out	(2,237,932)	-	(2,237,932)	(870,949)
Net Change in Fund Balances	(599,267)	1,752	(597,515)	2,071,150
FUND BALANCES				
Beginning of Year	4,450,938	138,692	4,589,630	2,518,480
End of Year	\$ 3,851,671	\$ 140,444	\$ 3,992,115	\$ 4,589,630

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2022
 (With Comparative Totals for 2021)

	Yorktown	Osceola	Hunter Brook	Clover Road
ASSETS				
Cash and equivalents	\$ 3,351,323	\$ 170,427	\$ 246,330	\$ 79,537
Accounts receivable	597,190	-	-	-
Due from other governments	-	-	-	-
Due from other funds	600	-	-	-
Prepaid expenditures	28,006	-	-	-
	<u>3,977,119</u>	<u>170,427</u>	<u>246,330</u>	<u>79,537</u>
Total Assets	<u>\$ 3,977,119</u>	<u>\$ 170,427</u>	<u>\$ 246,330</u>	<u>\$ 79,537</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 153,331	\$ 4,942	\$ 10,700	\$ -
Fund balances				
Nonspendable	28,006	-	-	-
Restricted	663,132	-	-	-
Assigned	3,132,650	165,485	235,630	79,537
	<u>3,823,788</u>	<u>165,485</u>	<u>235,630</u>	<u>79,537</u>
Total Fund Balances	<u>3,823,788</u>	<u>165,485</u>	<u>235,630</u>	<u>79,537</u>
	<u>\$ 3,977,119</u>	<u>\$ 170,427</u>	<u>\$ 246,330</u>	<u>\$ 79,537</u>
Total Liabilities and Fund Balances	<u>\$ 3,977,119</u>	<u>\$ 170,427</u>	<u>\$ 246,330</u>	<u>\$ 79,537</u>

<u>Mohegan East</u>	<u>Mohegan West</u>	<u>Bonnie and Jill</u>	<u>Oakside</u>	<u>Overlook</u>	<u>Suncrest</u>
\$ 4,417	\$ 42,377	\$ 59,448	\$ 140,301	\$ 145,083	\$ 181,053
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,417</u>	<u>\$ 42,377</u>	<u>\$ 59,448</u>	<u>\$ 140,301</u>	<u>\$ 145,083</u>	<u>\$ 181,053</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-
-	10,906	-	64,633	59,520	-
4,417	31,471	59,448	75,668	85,563	181,053
<u>4,417</u>	<u>42,377</u>	<u>59,448</u>	<u>140,301</u>	<u>145,083</u>	<u>181,053</u>
<u>\$ 4,417</u>	<u>\$ 42,377</u>	<u>\$ 59,448</u>	<u>\$ 140,301</u>	<u>\$ 145,083</u>	<u>\$ 181,053</u>

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Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2022
 (With Comparative Totals for 2021)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2022	2021
ASSETS				
Cash and equivalents	\$ 38,939	\$ 159,054	\$ 4,618,289	\$ 4,529,908
Accounts receivable	-	-	597,190	479,678
Due from other governments	-	-	-	53,138
Due from other funds	-	-	600	600
Prepaid expenditures	-	-	28,006	35,124
Total Assets	<u>\$ 38,939</u>	<u>\$ 159,054</u>	<u>\$ 5,244,085</u>	<u>\$ 5,098,448</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 168,973	\$ 307,091
Fund balances				
Nonspendable	-	-	28,006	35,124
Restricted	-	-	798,191	744,049
Assigned	38,939	159,054	4,248,915	4,012,184
Total Fund Balances	<u>38,939</u>	<u>159,054</u>	<u>5,075,112</u>	<u>4,791,357</u>
Total Liabilities and Fund Balances	<u>\$ 38,939</u>	<u>\$ 159,054</u>	<u>\$ 5,244,085</u>	<u>\$ 5,098,448</u>

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2022
 (With Comparative Totals for 2021)

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	\$ 2,271,439	\$ 44,550	\$ 381,545	\$ 7,350
Other tax items	95,000	-	-	-
Departmental income	552,746	-	-	-
Intergovernmental charges	926,775	-	-	-
Use of money and property	45,287	1,965	3,026	897
State aid	4,535	-	-	-
Federal aid	40,819	-	-	-
Miscellaneous	-	-	-	-
	<u>3,936,601</u>	<u>46,515</u>	<u>384,571</u>	<u>8,247</u>
EXPENDITURES				
Current				
Home and community services	2,426,013	18,838	65,732	-
Employee benefits	273,035	-	-	-
Debt service				
Principal				
Serial bonds	440,150	-	140,000	-
Interest				
Serial bonds	151,712	-	34,315	-
Bond anticipation notes	-	-	-	-
	<u>3,290,910</u>	<u>18,838</u>	<u>240,047</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>645,691</u>	<u>27,677</u>	<u>144,524</u>	<u>8,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	208,250	-	-	-
Transfers out	<u>(662,150)</u>	<u>(25,000)</u>	<u>(92,500)</u>	<u>(7,500)</u>
Total Other Financing Uses	<u>(453,900)</u>	<u>(25,000)</u>	<u>(92,500)</u>	<u>(7,500)</u>
Net Change in Fund Balances	191,791	2,677	52,024	747
FUND BALANCES				
Beginning of Year	<u>3,631,997</u>	<u>162,808</u>	<u>183,606</u>	<u>78,790</u>
End of Year	<u>\$ 3,823,788</u>	<u>\$ 165,485</u>	<u>\$ 235,630</u>	<u>\$ 79,537</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 243,650	\$ 70,035	\$ 7,500	\$ 70,710	\$ 95,200	\$ 50,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
272	605	676	1,585	2,395	2,419
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,582	-	-
<u>243,922</u>	<u>70,640</u>	<u>8,176</u>	<u>79,877</u>	<u>97,595</u>	<u>52,419</u>
4,089	568	-	1,704	-	-
-	-	-	-	-	-
192,180	55,800	-	51,870	-	-
29,756	5,061	-	11,282	-	-
-	-	-	-	4,671	2,911
<u>226,025</u>	<u>61,429</u>	<u>-</u>	<u>64,856</u>	<u>4,671</u>	<u>2,911</u>
17,897	9,211	8,176	15,021	92,924	49,508
-	-	-	-	-	-
<u>(17,750)</u>	<u>(8,750)</u>	<u>(8,000)</u>	<u>(13,750)</u>	<u>(77,500)</u>	<u>(39,000)</u>
<u>(17,750)</u>	<u>(8,750)</u>	<u>(8,000)</u>	<u>(13,750)</u>	<u>(77,500)</u>	<u>(39,000)</u>
147	461	176	1,271	15,424	10,508
4,270	41,916	59,272	139,030	129,659	170,545
<u>\$ 4,417</u>	<u>\$ 42,377</u>	<u>\$ 59,448</u>	<u>\$ 140,301</u>	<u>\$ 145,083</u>	<u>\$ 181,053</u>

(Continued)

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds (Continued)
 Year Ended December 31, 2022
 (With Comparative Totals for 2021)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2022	2021
REVENUES				
Real property taxes	\$ 47,950	\$ 5,850	\$ 3,295,779	\$ 3,317,671
Other tax items	-	-	95,000	-
Departmental income	-	-	552,746	563,951
Intergovernmental charges	-	-	926,775	832,358
Use of money and property	792	1,831	61,750	15,873
State aid	-	-	4,535	-
Federal aid	-	-	40,819	-
Miscellaneous	-	6,209	13,791	1,261
Total Revenues	48,742	13,890	4,991,195	4,731,114
EXPENDITURES				
Current				
Home and community services	-	6,504	2,523,448	2,197,734
Employee benefits	-	-	273,035	238,389
Debt service				
Principal				
Serial bonds	-	-	880,000	870,000
Interest				
Serial bonds	-	-	232,126	226,392
Bond anticipation notes	1,849	-	9,431	11,755
Total Expenditures	1,849	6,504	3,918,040	3,544,270
Excess of Revenues Over Expenditures	46,893	7,386	1,073,155	1,186,844
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	208,250	142,500
Transfers out	(38,250)	(7,500)	(997,650)	(1,097,632)
Total Other Financing Uses	(38,250)	(7,500)	(789,400)	(955,132)
Net Change in Fund Balances	8,643	(114)	283,755	231,712
FUND BALANCES				
Beginning of Year	30,296	159,168	4,791,357	4,559,645
End of Year	\$ 38,939	\$ 159,054	\$ 5,075,112	\$ 4,791,357

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 1,052,901	\$ 843,721
Prepaid expenditures	<u>19,274</u>	<u>31,948</u>
Total Assets	<u>\$ 1,072,175</u>	<u>\$ 875,669</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	<u>\$ 266,297</u>	<u>\$ 257,030</u>
Fund balances		
Nonspendable	19,274	31,948
Restricted	132,328	131,213
Assigned	<u>654,276</u>	<u>455,478</u>
Total Fund Balances	<u>805,878</u>	<u>618,639</u>
Total Liabilities and Fund Balances	<u>\$ 1,072,175</u>	<u>\$ 875,669</u>

See independent auditors' report.

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Town of Yorktown, New YorkSpecial Districts Fund - Refuse District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Real property taxes	\$ 4,331,600	\$ 4,307,690
Other tax items	25,750	-
Departmental income	51,981	56,884
Use of money and property	22,664	4,040
Miscellaneous	13,164	7,882
	<u>4,445,159</u>	<u>4,376,496</u>
EXPENDITURES		
Current		
Home and community services	3,718,668	3,802,019
Employee benefits	214,252	243,232
	<u>3,932,920</u>	<u>4,045,251</u>
Excess of Revenues Over Expenditures	512,239	331,245
OTHER FINANCING USES		
Transfers out	<u>(325,000)</u>	<u>(311,000)</u>
Net Change in Fund Balance	187,239	20,245
FUND BALANCE		
Beginning of Year	<u>618,639</u>	<u>598,394</u>
End of Year	<u>\$ 805,878</u>	<u>\$ 618,639</u>

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Park Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2022
 (With Comparative Totals for 2021)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
ASSETS				
Cash and equivalents	\$ 209,833	\$ 112,500	\$ 319,897	\$ 33,291
Due from Other Governments	-	-	16,800	-
Total Assets	<u>\$ 209,833</u>	<u>\$ 112,500</u>	<u>\$ 336,697</u>	<u>\$ 33,291</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 775	\$ 110	\$ 198
Fund balances				
Restricted	-	-	-	-
Assigned	<u>209,833</u>	<u>111,725</u>	<u>336,587</u>	<u>33,093</u>
Total Fund Balances	<u>209,833</u>	<u>111,725</u>	<u>336,587</u>	<u>33,093</u>
Total Liabilities and Fund Balances	<u>\$ 209,833</u>	<u>\$ 112,500</u>	<u>\$ 336,697</u>	<u>\$ 33,291</u>

See independent auditors' report.

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2022	2021
\$ 263,268	\$ 38,428	\$ 129	\$ 152,106	\$ 1,129,452	\$ 1,113,984
-	-	-	-	16,800	-
<u>\$ 263,268</u>	<u>\$ 38,428</u>	<u>\$ 129</u>	<u>\$ 152,106</u>	<u>\$ 1,146,252</u>	<u>\$ 1,113,984</u>
\$ 5,172	\$ 3,550	\$ -	\$ -	\$ 9,805	\$ 12,110
27,478	-	-	-	27,478	27,478
230,618	34,878	129	152,106	1,108,969	1,074,396
<u>258,096</u>	<u>34,878</u>	<u>129</u>	<u>152,106</u>	<u>1,136,447</u>	<u>1,101,874</u>
<u>\$ 263,268</u>	<u>\$ 38,428</u>	<u>\$ 129</u>	<u>\$ 152,106</u>	<u>\$ 1,146,252</u>	<u>\$ 1,113,984</u>

Town of Yorktown, New York

Special Districts Fund - Park Districts
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Sub Funds
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
REVENUES				
Real property taxes	\$ 55,000	\$ 15,250	\$ 91,355	\$ 12,400
Use of money and property	2,409	1,317	3,869	400
Total Revenues	<u>57,409</u>	<u>16,567</u>	<u>95,224</u>	<u>12,800</u>
EXPENDITURES				
Current				
Culture and recreation	29,749	31,113	71,123	6,485
Employee benefits	1,530	-	597	-
Total Expenditures	<u>31,279</u>	<u>31,113</u>	<u>71,720</u>	<u>6,485</u>
Excess (Deficiency) of Revenues Over Expenditures	26,130	(14,546)	23,504	6,315
OTHER FINANCING USES				
Transfers out	<u>(6,000)</u>	<u>(2,750)</u>	<u>(7,000)</u>	<u>(3,500)</u>
Net Change in Fund Balances	20,130	(17,296)	16,504	2,815
FUND BALANCES				
Beginning of year	<u>189,703</u>	<u>129,021</u>	<u>320,083</u>	<u>30,278</u>
End of Year	<u>\$ 209,833</u>	<u>\$ 111,725</u>	<u>\$ 336,587</u>	<u>\$ 33,093</u>

See independent auditors' report.

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2022	2021
\$ 63,500 3,231	\$ 35,925 487	\$ 2,500 2	\$ - 1,718	\$ 275,930 13,433	\$ 267,482 2,593
<u>66,731</u>	<u>36,412</u>	<u>2,502</u>	<u>1,718</u>	<u>289,363</u>	<u>270,075</u>
51,333 -	32,642 468	- -	- -	222,445 2,595	210,209 1,885
<u>51,333</u>	<u>33,110</u>	<u>-</u>	<u>-</u>	<u>225,040</u>	<u>212,094</u>
15,398	3,302	2,502	1,718	64,323	57,981
<u>(5,000)</u>	<u>(3,000)</u>	<u>(2,500)</u>	<u>-</u>	<u>(29,750)</u>	<u>(26,000)</u>
10,398	302	2	1,718	34,573	31,981
<u>247,698</u>	<u>34,576</u>	<u>127</u>	<u>150,388</u>	<u>1,101,874</u>	<u>1,069,893</u>
<u>\$ 258,096</u>	<u>\$ 34,878</u>	<u>\$ 129</u>	<u>\$ 152,106</u>	<u>\$ 1,136,447</u>	<u>\$ 1,101,874</u>

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 140,152	\$ 90,538
Accounts receivable	<u>-</u>	<u>8,655</u>
Total Assets	<u>\$ 140,152</u>	<u>\$ 99,193</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 59,583	\$ 57,502
Fund balance		
Assigned	<u>80,569</u>	<u>41,691</u>
Total Liabilities and Fund Balance	<u>\$ 140,152</u>	<u>\$ 99,193</u>

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Real property taxes	\$ 728,050	\$ 656,379
Other tax items	45	-
Use of money and property	2,830	417
Sale of property and compensation for loss	<u>32,402</u>	<u>10,000</u>
Total Revenues	763,327	666,796
EXPENDITURES		
Current		
Health	<u>724,449</u>	<u>666,464</u>
Excess of Revenues Over Expenditures	38,878	332
FUND BALANCE		
Beginning of Year	<u>41,691</u>	<u>41,359</u>
End of Year	<u><u>\$ 80,569</u></u>	<u><u>\$ 41,691</u></u>

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 5,076,969</u>	<u>\$ 1,321,635</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 387,811	\$ 428,311
Bond anticipation notes payable	<u>2,881,000</u>	<u>1,982,250</u>
Total Liabilities	3,268,811	2,410,561
Fund balance		
Restricted	1,808,158	-
Unassigned	<u>-</u>	<u>(1,088,926)</u>
Total Fund Balance	<u>1,808,158</u>	<u>(1,088,926)</u>
Total Liabilities and Fund Balance	<u>\$ 5,076,969</u>	<u>\$ 1,321,635</u>

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Miscellaneous	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>1,926,214</u>	<u>4,941,502</u>
Deficiency of Revenues Over Expenditures	(1,926,214)	(4,941,502)
OTHER FINANCING SOURCES (USES)		
Transfers in	5,154,763	2,120,177
Transfers out	<u>(331,465)</u>	<u>-</u>
Total Other Financing Sources	<u>4,823,298</u>	<u>2,120,177</u>
Net Change in Fund Balance	2,897,084	(2,821,325)
FUND BALANCE		
Beginning of Year	<u>(1,088,926)</u>	<u>1,732,399</u>
End of Year	<u>\$ 1,808,158</u>	<u>\$ (1,088,926)</u>

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
 Project-Length Schedule
 Inception Of Project Through December 31, 2022

<u>PROJECT</u>	<u>Sub-Fund</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>
Granite Knolls Sports and Recreation Complex	HA	\$ 6,628,750	\$ 6,627,750
Hunterbrook Rt. 202 Extension	HB	3,000,000	1,506,458
Improve/Construct Roads	HC	2,482,529	2,255,395
Hill Boulevard Bridge Replacement	HD	2,996,713	2,996,713
Veterans Road Culvert Replacement	HE	1,131,610	1,131,610
Gomer Street Sewer	HG	610,000	601,470
Water Department Fluoride Project	HI	1,164,532	1,097,596
Library Bathroom Renovation	HH	244,658	130,658
Improve Sparkle Lake Dam	HK	348,843	253,936
Water Meter Replacement	HM	1,811,684	741,791
Water Cement Reline	HN	1,340,482	201,912
Pump Station Upgrades	HP	3,044,781	3,039,328
Highway Garage Improvements	HR	398,401	383,114
Town Hall Entrance Renovation	HS	439,000	153,341
Improve Various Town Buildings	HV	3,418,258	1,284,407
NWJWW Tank Replacement	HU	1,100,000	1,100,000
Highway Heavy Equipment and Machinery	HW	820,000	819,998
Various Items	HY	510,500	478,285
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Suncrest Sewer	JH	750,000	750,000
Railroad Park Rehabilitation	JJ	573,777	559,350
Overlook Sewer	JW	1,600,000	1,400,000
Totals		<u>\$ 37,414,518</u>	<u>\$ 30,511,002</u>

See independent auditors' report.

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2022	Bond Anticipation Notes Outstanding at December 31, 2022
\$ 1,000	\$ 6,623,750	\$ (4,000)	\$ -
1,493,542	1,506,459	1	-
227,134	2,266,850	11,455	-
-	2,996,713	-	-
-	1,131,610	-	-
8,530	397,470	(204,000)	204,000
66,936	1,172,482	74,886	-
114,000	130,658	-	-
94,907	270,000	16,064	-
1,069,893	-	(741,791)	1,811,000
1,138,570	1,340,482	1,138,570	-
5,453	2,944,780	(94,548)	-
15,287	392,371	9,257	-
285,659	439,000	285,659	-
2,133,851	3,418,258	2,133,851	-
-	1,100,000	-	-
2	820,000	2	-
32,215	510,500	32,215	-
2,110	3,000,000	2,110	-
-	412,000	(338,000)	338,000
14,427	573,777	14,427	-
200,000	872,000	(528,000)	528,000
<u>\$ 6,903,516</u>	<u>\$ 32,319,160</u>	<u>\$ 1,808,158</u>	<u>\$ 2,881,000</u>

Town of Yorktown, New York

Non-Major Governmental Funds

Combining Balance Sheet

December 31, 2022

(With Comparative Totals for 2021)

	Community Development	Public Library	Special Purpose
ASSETS			
Cash and equivalents	\$ 80,185	\$ 2,327,888	\$ 1,390,631
Prepaid expenditures	656	34,054	-
Rent receivable	5,317	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 86,158</u>	<u>\$ 2,361,942</u>	<u>\$ 1,390,631</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,701	\$ 78,932	\$ 344
Due to other funds	20,641	-	-
Unearned revenue	7,174	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	29,516	78,932	344
Fund balances			
Nonspendable	656	34,054	-
Restricted	55,986	110,191	1,390,287
Assigned	-	2,138,765	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	56,642	2,283,010	1,390,287
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 86,158</u>	<u>\$ 2,361,942</u>	<u>\$ 1,390,631</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2022	2021
\$ 63,518	\$ 3,862,222	\$ 3,684,306
-	34,710	47,833
-	5,317	432
<u>\$ 63,518</u>	<u>\$ 3,902,249</u>	<u>\$ 3,732,571</u>
\$ -	\$ 80,977	\$ 92,367
-	20,641	22,240
-	7,174	10,808
<u>-</u>	<u>108,792</u>	<u>125,415</u>
-	34,710	47,833
63,518	1,619,982	1,507,918
-	2,138,765	2,051,405
<u>63,518</u>	<u>3,793,457</u>	<u>3,607,156</u>
<u>\$ 63,518</u>	<u>\$ 3,902,249</u>	<u>\$ 3,732,571</u>

Town of Yorktown, New York

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	<u>Community Development</u>	<u>Public Library</u>	<u>Special Purpose</u>
REVENUES			
Real property taxes	\$ -	\$ 2,164,670	\$ -
Departmental income	-	8,903	-
Intergovernmental charges	-	377,145	-
Use of money and property	293	33,713	6,127
State aid	-	10,782	-
Federal aid	1,726,079	-	-
Miscellaneous	6,638	1,282	192,581
	<hr/>	<hr/>	<hr/>
Total Revenues	1,733,010	2,596,495	198,708
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Economic opportunity and development	1,759,428	-	-
Economic opportunity and development - COVID related	-	-	-
Culture and recreation	-	2,177,495	72,957
Employee benefits	-	332,750	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,759,428	2,510,245	72,957
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	(26,418)	86,250	125,751
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Beginning of Year	83,060	2,196,760	1,264,536
	<hr/>	<hr/>	<hr/>
End of Year	\$ 56,642	\$ 2,283,010	\$ 1,390,287
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2022	2021
\$ -	\$ 2,164,670	\$ 2,100,935
-	8,903	12,474
-	377,145	355,601
718	40,851	7,475
-	10,782	12,162
-	1,726,079	1,606,261
-	200,501	102,495
718	4,528,931	4,197,403
-	1,759,428	1,647,927
-	-	17,237
-	2,250,452	1,941,963
-	332,750	326,528
-	4,342,630	3,933,655
718	186,301	263,748
62,800	3,607,156	3,343,408
<u>\$ 63,518</u>	<u>\$ 3,793,457</u>	<u>\$ 3,607,156</u>

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 80,185	\$ 110,505
Prepaid expenditures	656	8,463
Rent receivable	<u>5,317</u>	<u>432</u>
Total Assets	<u><u>\$ 86,158</u></u>	<u><u>\$ 119,400</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,701	\$ 3,292
Due to other funds	20,641	22,240
Unearned revenue	<u>7,174</u>	<u>10,808</u>
Total Liabilities	<u>29,516</u>	<u>36,340</u>
Fund balance		
Nonspendable	656	8,463
Restricted	<u>55,986</u>	<u>74,597</u>
Total Fund Balance	<u>56,642</u>	<u>83,060</u>
Total Liabilities and Fund Balance	<u><u>\$ 86,158</u></u>	<u><u>\$ 119,400</u></u>

See independent auditors' report.

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Use of money and property	\$ 293	\$ 63
Federal aid	1,726,079	1,606,261
Miscellaneous	<u>6,638</u>	<u>9,661</u>
Total Revenues	1,733,010	1,615,985
EXPENDITURES		
Current		
Economic opportunity and development	1,759,428	1,647,927
Economic opportunity and development - COVID related	<u>-</u>	<u>17,237</u>
Total Expenditures	1,759,428	1,665,164
Deficiency of Revenues Over Expenditures	(26,418)	(49,179)
FUND BALANCE		
Beginning of Year	<u>83,060</u>	<u>132,239</u>
End of Year	<u><u>\$ 56,642</u></u>	<u><u>\$ 83,060</u></u>

See independent auditors' report.

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Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 2,327,888	\$ 2,246,335
Prepaid expenditures	<u>34,054</u>	<u>39,370</u>
Total Assets	<u>\$ 2,361,942</u>	<u>\$ 2,285,705</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 78,932</u>	<u>\$ 88,945</u>
Fund balance		
Nonspendable	34,054	39,370
Restricted	110,191	105,985
Assigned	<u>2,138,765</u>	<u>2,051,405</u>
Total Fund Balance	<u>2,283,010</u>	<u>2,196,760</u>
Total Liabilities and Fund Balance	<u>\$ 2,361,942</u>	<u>\$ 2,285,705</u>

See independent auditors' report.

Town of Yorktown, New York

Public Library Fund
 Comparative Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 Years Ended December 31,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 2,164,670	\$ 2,164,670	\$ 2,164,670	\$ -
Departmental income	12,750	12,750	8,903	(3,847)
Intergovernmental charges	375,000	375,000	377,145	2,145
Use of money and property	6,200	6,200	33,713	27,513
State aid	10,000	10,000	10,782	782
Miscellaneous	1,000	1,000	1,282	282
Total Revenues	<u>2,569,620</u>	<u>2,569,620</u>	<u>2,596,495</u>	<u>26,875</u>
EXPENDITURES				
Current				
Culture and recreation	2,211,370	2,318,077	2,177,495	140,582
Employee benefits	443,570	443,591	332,750	110,841
Total Expenditures	<u>2,654,940</u>	<u>2,761,668</u>	<u>2,510,245</u>	<u>251,423</u>
Excess (Deficiency) of Revenues Over Expenditures	(85,320)	(192,048)	86,250	278,298
FUND BALANCE				
Beginning of Year	<u>85,320</u>	<u>192,048</u>	<u>2,196,760</u>	<u>2,004,712</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283,010</u>	<u>\$ 2,283,010</u>

See independent auditors' report.

2021			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,100,935	\$ 2,100,935	\$ 2,100,935	\$ -
15,000	15,000	12,474	(2,526)
400,000	400,000	355,601	(44,399)
10,000	10,000	5,799	(4,201)
7,500	7,500	12,162	4,662
1,000	1,000	9,531	8,531
<u>2,534,435</u>	<u>2,534,435</u>	<u>2,496,502</u>	<u>(37,933)</u>
2,164,929	2,180,049	1,926,001	254,048
<u>372,195</u>	<u>372,195</u>	<u>326,528</u>	<u>45,667</u>
<u>2,537,124</u>	<u>2,552,244</u>	<u>2,252,529</u>	<u>299,715</u>
(2,689)	(17,809)	243,973	261,782
<u>2,689</u>	<u>17,809</u>	<u>1,952,787</u>	<u>1,934,978</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,196,760</u>	<u>\$ 2,196,760</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 1,390,631</u>	<u>\$ 1,264,666</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 344</u>	<u>\$ 130</u>
Fund balance		
Restricted	<u>1,390,287</u>	<u>1,264,536</u>
Total Liabilities and Fund Balance	<u>\$ 1,390,631</u>	<u>\$ 1,264,666</u>

See independent auditors' report.

Town of Yorktown, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Use of money and property	\$ 6,127	\$ 1,475
Miscellaneous	<u>192,581</u>	<u>83,303</u>
Total Revenues	198,708	84,778
EXPENDITURES		
Current		
Culture and recreation	<u>72,957</u>	<u>15,962</u>
Excess of Revenues Over Expenditures	125,751	68,816
FUND BALANCE		
Beginning of Year	<u>1,264,536</u>	<u>1,195,720</u>
End of Year	<u><u>\$ 1,390,287</u></u>	<u><u>\$ 1,264,536</u></u>

See independent auditors' report.

Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 63,518</u>	<u>\$ 62,800</u>
FUND BALANCE		
Restricted	<u>\$ 63,518</u>	<u>\$ 62,800</u>

See independent auditors' report.

Town of Yorktown, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REVENUES		
Use of money and property	\$ 718	\$ 138
EXPENDITURES		
	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	718	138
FUND BALANCE		
Beginning of Year	<u>62,800</u>	<u>62,662</u>
End of Year	<u><u>\$ 63,518</u></u>	<u><u>\$ 62,800</u></u>

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Net Position
 December 31, 2022
 (With Comparative Totals for 2021)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2022	2021
ASSETS				
Cash and equivalents	\$ 793,168	\$ 322,381	\$ 1,115,549	\$ 651,090
Due from other funds	-	299,664	299,664	299,664
Total Assets	793,168	622,045	1,415,213	950,754
LIABILITIES				
Current liabilities				
Current portion of claims payable	172,131	70,000	242,131	246,755
Non-current liabilities				
Claims payable, less current portion	1,549,179	668,824	2,218,003	1,598,484
Total Liabilities	1,721,310	738,824	2,460,134	1,845,239
NET POSITION				
Unrestricted	\$ (928,142)	\$ (116,779)	\$ (1,044,921)	\$ (894,485)

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
Combining Statement of Revenues, Expenses and Changes
in Net Position
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2022	2021
OPERATING REVENUES				
Charges for services	\$ 568,534	\$ 298,310	\$ 866,844	\$ 951,870
Miscellaneous	193,580	-	193,580	88,720
Total Operating Revenues	<u>762,114</u>	<u>298,310</u>	<u>1,060,424</u>	<u>1,040,590</u>
OPERATING EXPENSES				
Workers' compensation benefits	796,666	-	796,666	949,310
Judgments and claims	-	417,247	417,247	177,250
Total Operating Expenses	<u>796,666</u>	<u>417,247</u>	<u>1,213,913</u>	<u>1,126,560</u>
Loss from Operations	(34,552)	(118,937)	(153,489)	(85,970)
NON-OPERATING REVENUES				
Interest income	2,249	804	3,053	875
Change in Net Position	(32,303)	(118,133)	(150,436)	(85,095)
NET POSITION				
Beginning of Year	<u>(895,839)</u>	<u>1,354</u>	<u>(894,485)</u>	<u>(809,390)</u>
End of Year	<u>\$ (928,142)</u>	<u>\$ (116,779)</u>	<u>\$ (1,044,921)</u>	<u>\$ (894,485)</u>

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 568,534	\$ 298,310
Cash received from insurance carriers, claimants and others	193,580	-
Cash payments to insurance carriers, claimants and others	<u>(577,086)</u>	<u>(21,932)</u>
Net Cash from Operating Activities	185,028	276,378
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>2,249</u>	<u>804</u>
Net Change in Cash and Equivalents	187,277	277,182
CASH AND EQUIVALENTS		
Beginning of Year	<u>605,891</u>	<u>45,199</u>
End of Year	<u><u>\$ 793,168</u></u>	<u><u>\$ 322,381</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (34,552)	\$ (118,937)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	-	-
Claims payable	<u>219,580</u>	<u>395,315</u>
Net Cash from Operating Activities	<u><u>\$ 185,028</u></u>	<u><u>\$ 276,378</u></u>

See independent auditors' report.

Totals	
2022	2021
\$ 866,844	\$ 774,620
193,580	88,720
<u>(599,018)</u>	<u>(939,542)</u>
461,406	(76,202)
<u>3,053</u>	<u>875</u>
464,459	(75,327)
<u>651,090</u>	<u>726,417</u>
<u>\$ 1,115,549</u>	<u>\$ 651,090</u>
\$ (153,489)	\$ (85,970)
-	(177,250)
<u>614,895</u>	<u>187,018</u>
<u>\$ 461,406</u>	<u>\$ (76,202)</u>

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 3, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 3, 2023



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Yorktown, New York's ("Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2022. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Town's is responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The Town's corrective action plan was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 3, 2023

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Town of Yorktown, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Federal Program Expenditures
<u>U.S Department of Housing and Urban Development</u>				
Direct Program				
<i>Housing Voucher Cluster</i>				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ -	\$ 1,759,428
<u>U.S. Department of Justice</u>				
Direct Program				
Bulletproof Vest Partnership Program	16.607	N/A	-	10,442
<u>U.S. Department of Transportation</u>				
Indirect Program - Passed-through the New York State Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	PIN 8761.66	-	1,909,596
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs - Passed through County of Westchester				
<i>Aging Cluster</i>				
Special Programs for the Aging - Title III Part B	93.044	AGET6861422	-	7,585
Special Programs for the Aging - Title III Part C	93.045	AGET9411522	-	22,377
COVID-19 Special Programs for the Aging - Title III Part C	93.045	AGEG0111620	-	65,608
Total U.S. Department of Health and Human Services			-	95,570
<u>Department of Homeland Security</u>				
Indirect Program - Passed through New York State Office of Emergency Management				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4615DRNY	-	356,202
Total Expenditures of Federal Awards			\$ -	\$ 4,131,238

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards.

Town of Yorktown, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of Yorktown, New York ("Town") under programs of the federal government for the year ended December 31, 2022. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in the net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass – through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Town of Yorktown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs

Assistance

Listing Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction (Federal-Aid Highway Program)

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Town of Yorktown, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended December 31, 2022

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

Finding: 2022-001 Federal awards not identified on the Schedule of Expenditures of Federal Awards, ("SEFA").

Federal Agency: U.S. Department of Transportation Highway Planning and Construction (Federal Aid Highway Program) and U.S. Department of Homeland Security Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Criteria: The Uniform Guidance requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statement. The schedule of expenditures of federal awards is the basis of the auditor's identification of major programs. Therefore, appropriate major program determination by the auditor is dependent on the accuracy and completeness of the auditee's information in the schedule of expenditures of federal awards. The auditee's responsibility for preparing an accurate and complete SEFA is critical.

Condition: The following two federal programs were not originally included in the Town's Schedule of Expenditures of Federal Awards, the Highway Planning and Construction program and the Disaster Grants-Public Assistance. Auditors identified the federal awards in the course of field work.

Cause: The awards were passed through from New York State Department of Transportation and the New York State Office of Emergency Management of Disaster Grants-Public Assistance to the Town's engineering department and the police department. Relevant grant information was not accessible to the preparers of the SEFA from those who administered the grants.

Effect or Potential Effect: A Uniform Guidance compliance audit is based on the premise that management must comply with federal statutes, regulations and the terms and conditions of the federal awards it receives. Without identifying the funds as federal the Town may not have complied with those requirements.

Recommendation: The Town should accumulate and document key information relating to each federal program to assist in preparing the SEFA, as well as to provide to auditors.

Management's Response: See corrective action plan.

Town of Yorktown, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

NONE