

Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2019

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 the Financial Statements

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, 2019, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2019, 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.

Emphasis of Matters

We draw attention to Notes 2E in the notes to the financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

As discussed in Note 6 in the notes to the financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID -19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

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, 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 and Other Information

Our audit for the year ended December 31, 2019 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, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2019.

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, 2018, (not presented herein) and have issued our report thereon dated May 17, 2019, 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, 2018 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 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2020 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 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
May 11, 2020

Town of Yorktown, New York

Management's Discussion and Analysis ("MD&A") December 31, 2019

Introduction

The following discussion 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 year ended December 31, 2019. This should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$60,361,786.
- The Town recorded its liability of \$72,709,071 for the accounting and financial reporting of Other Post Employment Benefits Obligations, other than pensions after the 2018 beginning balance was restated to allow for the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 75 in the government-wide financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$34,406,054, an increase of \$2,953,455 from the prior fiscal year.
- At the end of the current fiscal year, the assigned and unassigned components of the fund balance for the General Fund aggregated \$18,478,336, or 60%, of the total General Fund expenditures and other financing uses. These balances increased from the prior year, when the amount of \$13,152,433, was 45%, of total General Fund expenditures and other financing uses.
- During 2019, the Town did not issue any additional short-term obligations, while retiring \$902,400 of this type of debt.
- The Town did not issue any additional long-term obligations, and retired \$820,000 of this debt.

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 present the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. 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.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 \$60,361,786 at the close of 2019. Of this amount, \$2,380,443 is restricted for various purposes (debt service, special revenue funds, trusts and parklands). The net investment in capital assets accounts for \$94,351,157 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

	2019	2018
Current Assets	\$ 54,173,872	\$ 100,064,174
Capital Assets, net	106,181,283	101,495,365
Total Assets	160,355,155	201,559,539
Deferred outflows of Resources	10,542,202	10,038,809
Current Liabilities	8,577,675	58,242,354
Long-term Liabilities	96,332,687	89,655,055
Total Liabilities	104,910,362	147,897,409
Deferred Inflows of Resources	5,625,209	8,170,534
NET POSITION		
Net investment in capital assets	94,351,157	89,877,023
Restricted	2,380,443	2,501,681
Unrestricted	(36,369,814)	(36,848,299)
Total Net Position	\$ 60,361,786	\$ 55,530,405

The restricted net position of \$2,380,443 represents resources that are subject to external restrictions on how they may be used.

Restricted Net Position

	2019	2018
Debt Service	\$ 1,213,225	\$ 1,212,159
Special Revenue Funds		
Community Development	69,181	57,517
Trusts	688,276	742,229
Parklands	409,761	489,776
	\$ 2,380,443	\$ 2,501,681

Change in Net Position

	2019	2018
PROGRAM REVENUES		
Charges for Services	\$ 14,862,698	\$ 14,912,220
Operating Grants and Contributions	3,279,196	3,237,252
Capital Grants and Contributions	17,724	177,780
General Revenues		
Real Property Taxes	31,795,502	30,310,684
Other Tax items	887,806	769,151
Non-Property Taxes	7,608,972	6,766,070
Unrestricted Use of Money and Property	634,317	406,906
Sale of Property and Compensation for Loss	70,325	63,369
Unrestricted State Aid	1,578,295	1,834,190
Miscellaneous	4,505,937	3,141,043
	<u>65,240,772</u>	<u>61,618,665</u>
PROGRAM EXPENSES		
General Government Support	8,318,803	8,078,681
Public Safety	15,853,460	15,190,741
Health	616,177	620,980
Transportation	7,192,340	7,319,336
Economic Opportunity and Development	2,448,582	2,398,122
Culture and Recreation	8,204,744	7,756,773
Home and Community Services	17,207,335	19,365,113
Interest	391,748	424,199
	<u>60,233,189</u>	<u>61,153,945</u>
Total Expenses		
	<u>60,233,189</u>	<u>61,153,945</u>
Change in Net Position	<u>5,007,583</u>	<u>464,720</u>
NET POSITION		
Beginning, as reported	55,354,203	88,267,462
Cumulative Effect of Change in Accounting Principal	-	(33,201,777)
	<u>55,354,203</u>	<u>55,065,685</u>
Net Position Beginning, as restated		
	<u>55,354,203</u>	<u>55,065,685</u>
Ending	<u>\$ 60,361,786</u>	<u>\$ 55,530,405</u>

For the fiscal year ended December 31, 2019, actual revenues from governmental activities totaled \$65,240,772. Real Property Tax revenues of \$31,795,502 represents 49% of total revenues.

Actual Expenses from governmental activities for the fiscal year ended December 31, 2019 totaled \$60,233,189 a decrease of \$920,756, from fiscal year 2018. This decrease is attributed to decreases in Home and Community Activities as well as Transportation expenditures.

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.

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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 \$34,406,054, an increase of \$2,953,455 from the prior year. Of this amount, \$6,015,826 (17%) 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	\$ 832,930
2) Employee benefit accrued liability	1,154,979
3) Debt service	1,213,225
4) Parklands	409,761
5) Trusts	688,276
6) Community Development	69,181
7) Capital Projects	1,647,474

\$11,696,896 constitutes *assigned fund balances*, of which \$1,543,035 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2020 budget, while \$529,810 has been assigned for tax certiorari payments leaving an assigned fund balance of \$9,624,051, representing the residual fund balances of the Highway and Special Districts funds and Community Development and Public Library funds, respectively. The Town's total *unassigned fund balance* for governmental funds is \$16,693,332 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 \$19,842,289.

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 \$18,487,336 represents 93% of the total General Fund fund balance and 60% of the General Fund's expenditures and other financing uses.

When the fiscal 2019 General Fund budget was adopted, it anticipated the use of \$1,100,000 of fund balance. Actual results of operations resulted in an increase of \$5,260,643 in the General Fund total fund balance. The increase in the fund balance can be attributed to the licensing agreement(s) signed with Enbridge in addition to the increase in sales tax revenue

In the Highway Fund, the fund balance decreased by \$333,664 to \$1,624,040 in the current fiscal year. The fund balance decrease is directly related to the increase in paving and the purchase of equipment.

General Fund Budgetary Highlights

There was a difference between the budgeted and actual revenues and other financing sources recorded for the General Fund with the original and final amounts budgeted of \$28,855,845 and actual revenues collected of \$35,923,533. The actual results realized for the year ended December 31, 2019 surpassed the budgeted amount by \$7,067,688. This can be attributed to in part to the proceeds collected from the Enbridge licensing agreement and the increase in sales tax revenue.

The difference between the expenditures and other financing uses in the final budget (\$33,488,682) and actual expenditures (\$30,662,890) in the General Fund showed a positive budgetary variance of \$2,825,792. Savings can primarily be attributed to:

General Government Support	\$ 718,498
Public Safety	487,824
Economic Opportunity and Development	70,521
Culture and Recreation	265,547
Home and Community Services	55,959
Employee Benefits	1,210,986

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2019 amounted to \$106,181,283. 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)

	2019	2018
Land	\$ 15,309,930	\$ 15,309,930
Construction-in-Progress	12,107,060	6,407,210
Total Assets Not Depreciated	27,416,990	21,717,140
Land Improvements	3,886,438	4,251,487
Buildings and Improvements	29,325,135	30,313,207
Infrastructure	40,110,583	40,500,340
Machinery and Equipment	5,442,137	4,713,191
Total Assets Net of Depreciation	78,764,293	79,778,225
Total Capital Assets	\$ 106,181,283	\$ 101,495,365

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 \$14,380,000. The Town's serial bond debt decreased by \$820,000. Payments on short-term obligations totaled \$902,400. 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.

Economic Factors and Next Year's Budget and Rates

The New York State Department of Labor has reported the 2019 average unemployment rates for the Town of Yorktown as 3.5%. While Westchester County's was stated as 3.8% and that of New York State as 4.0%. This compares to the data reported by the US Bureau of Labor Statistics. They further report average consumer spending by category as: housing, transportation, food, insurance / pensions and healthcare. The average hourly wages for various occupations reported in the New York area are slightly higher than those reported for those across the country.

Management considers many economic factors when compiling the Town's budget. Health insurance premiums for both current and retired employees as well as contract negotiated salary increases and subsequently pension contributions are important issues considered.

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 York

Statement of Net Position
December 31, 2019

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 39,155,587
Receivables	
Taxes, net	2,649,686
Accounts	2,002,373
Due from other governments	1,988,152
Prepaid expenses	832,930
Investment in joint venture	7,540,748
Capital assets	
Not being depreciated	27,416,990
Being depreciated, net	<u>78,764,293</u>
Total Assets	<u>160,350,759</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on pensions	6,306,558
Deferred amounts on other postemployment benefit obligations	<u>4,235,644</u>
Total Deferred Outflows of Resources	<u>10,542,202</u>
LIABILITIES	
Accounts payable	2,355,597
Due to other governments	41,095
Deposits	2,139,709
Unearned revenues	40,000
Bond anticipation notes payable	3,883,539
Accrued interest payable	117,735
Non-current liabilities	
Due within one year	1,167,500
Due in more than one year	<u>95,165,187</u>
Total Liabilities	<u>104,910,362</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on pensions	2,037,794
Taxes collected in advance	153,876
Deferred amounts on other postemployment benefit obligations	<u>3,433,539</u>
Total Deferred Inflows of Resources	<u>5,625,209</u>
NET POSITION	
Net Investment in capital assets	94,351,157
Restricted	
Debt service	1,213,225
Special Revenue funds	
Community development	69,181
Trusts	688,276
Parklands	409,761
Unrestricted	<u>(36,374,210)</u>
Total Net Position	<u>\$ 60,357,390</u>

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

Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2019

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	\$ 8,318,803	\$ 3,367,997	\$ -	\$ -	\$ (4,950,806)
Public safety	15,853,460	510,291	97,638	-	(15,245,531)
Health	616,177	-	16,806	-	(599,371)
Transportation	7,192,340	-	836,789	-	(6,355,551)
Economic opportunity and development	2,448,582	-	1,722,634	-	(725,948)
Culture and recreation	8,204,744	1,697,843	176,529	-	(6,330,372)
Home and community services	17,207,335	9,286,567	428,800	16,658	(7,475,310)
Interest	391,748	-	-	1,066	(390,682)
Total Governmental Activities	\$ 60,233,189	\$ 14,862,698	\$ 3,279,196	\$ 17,724	(42,073,571)
General revenues					
Real property taxes					31,795,502
Other tax items					
Interest and penalties on real property taxes					852,780
Payments in lieu of taxes					35,026
Non-property taxes					
Non-property tax distribution from County					6,601,788
Franchise fees					1,007,184
Unrestricted use of money and property					634,317
Sale of property and compensation for loss					70,325
Unrestricted State aid					1,578,295
Miscellaneous					4,501,541
Total General Revenues					<u>47,076,758</u>
Change in Net Position					5,003,187
NET POSITION					
Net Position - Beginning					<u>55,354,203</u>
Net Position - Ending					<u>\$ 60,357,390</u>

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

Town of Yorktown, New York

Balance Sheet
 Governmental Funds
 December 31, 2019

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	\$ 20,117,897	\$ 1,718,421	\$ 7,945,426	\$ 5,789,057
Taxes receivable, net	2,649,686	-	-	-
Other receivables				
Accounts	293,578	-	1,708,795	-
Due from other governments	1,988,152	-	-	-
Due from other funds	36,312	-	-	-
	<u>2,318,042</u>	<u>-</u>	<u>1,708,795</u>	<u>-</u>
Prepaid expenditures	599,011	70,510	116,645	-
Total Assets	<u>\$ 25,684,636</u>	<u>\$ 1,788,931</u>	<u>\$ 9,770,866</u>	<u>\$ 5,789,057</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 796,506	\$ 84,849	\$ 1,166,850	\$ 258,044
Due to other governments	41,095	-	-	-
Deposits	2,139,709	-	-	-
Due to other funds	304,001	40,042	27,112	-
Unearned revenues	-	40,000	-	-
Bond anticipation notes payable	-	-	-	3,883,539
Total Liabilities	<u>3,281,311</u>	<u>164,891</u>	<u>1,193,962</u>	<u>4,141,583</u>
Deferred inflows of resources				
Taxes collected in advance	153,876	-	-	-
Deferred tax revenues	2,411,556	-	-	-
Total Deferred Inflows of Resources	<u>2,565,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,846,743</u>	<u>164,891</u>	<u>1,193,962</u>	<u>4,141,583</u>
Fund balances				
Nonspendable	599,011	70,510	116,645	-
Restricted	755,942	81,268	1,366,055	1,647,474
Assigned	1,794,004	1,472,262	7,094,204	-
Unassigned	16,688,936	-	-	-
Total Fund Balances	<u>19,837,893</u>	<u>1,624,040</u>	<u>8,576,904</u>	<u>1,647,474</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,684,636</u>	<u>\$ 1,788,931</u>	<u>\$ 9,770,866</u>	<u>\$ 5,789,057</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,754,243	\$ 38,325,044
-	2,649,686
-	2,002,373
-	1,988,152
-	36,312
-	4,026,837
46,764	832,930
<u>\$ 2,801,007</u>	<u>\$ 45,834,497</u>

\$ 49,348	\$ 2,355,597
-	41,095
-	2,139,709
36,312	407,467
-	40,000
-	3,883,539
<u>85,660</u>	<u>8,867,407</u>
-	153,876
-	2,411,556
-	2,565,432
<u>85,660</u>	<u>11,432,839</u>
46,764	832,930
1,332,157	5,182,896
1,336,426	11,696,896
-	16,688,936
<u>2,715,347</u>	<u>34,401,658</u>
<u>\$ 2,801,007</u>	<u>\$ 45,834,497</u>

Town of Yorktown, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2019

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

Fund Balances - Total Governmental Funds	<u>\$ 34,401,658</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	106,181,283
Investment in joint venture is not reported in the funds.	<u>7,540,748</u>
	<u>113,722,031</u>
Governmental funds do not report the effect of assets or liabilities related to net pension liabilities and other postemployment benefit obligations where as these amounts are deferred and amortized in the statement of activities.	
Deferred amount on net pension liabilities	4,268,764
Deferred amounts on other postemployment benefit obligations	<u>802,105</u>
	<u>5,070,869</u>
Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds.	
Real property taxes	<u>2,411,556</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>(725,152)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(117,735)
General obligation bonds payable	(14,380,000)
Compensated absences	(1,157,344)
Net pension liability	(6,159,422)
Other post employment benefit obligations payable	<u>(72,709,071)</u>
	<u>(94,523,572)</u>
Net Position of Governmental Activities	<u><u>\$ 60,357,390</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
 Governmental Funds
 Year Ended December 31, 2019

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	\$ 14,353,449	\$ 5,554,175	\$ 9,654,106	\$ -
Other tax items	887,806	-	-	-
Non-property taxes	7,608,972	-	-	-
Departmental income	2,703,245	-	7,744,215	-
Intergovernmental charges	-	-	1,339,254	-
Use of money and property	1,315,630	51,669	257,928	-
Licenses and permits	1,365,904	-	-	-
Fines and forfeitures	491,072	-	-	-
Sale of property and compensation for loss	44,075	1,313	39,320	-
State aid	1,639,184	714,890	212,000	-
Federal aid	143,072	-	-	-
Miscellaneous	3,965,628	66,759	33,627	16,658
Total Revenues	34,518,037	6,388,806	19,280,450	16,658
EXPENDITURES				
Current				
General government support	6,417,066	-	-	-
Public safety	10,885,669	-	-	-
Health	1,250	-	629,624	-
Transportation	522,471	6,615,321	-	-
Economic opportunity and development	643,664	-	-	-
Culture and recreation	3,286,546	-	169,589	-
Home and community services	646,375	-	13,426,114	-
Employee benefits	4,876,427	884,769	1,375,956	-
Debt service				
Principal	-	-	820,000	-
Interest	42,192	7,438	367,373	-
Capital outlay	-	-	-	5,699,850
Total Expenditures	27,321,660	7,507,528	16,788,656	5,699,850
Excess (Deficiency) of Revenues Over Expenditures	7,196,377	(1,118,722)	2,491,794	(5,683,192)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	2,158	-	-
Sale of equipment	26,250	-	-	-
Transfers in	1,374,850	926,900	28,905	3,749,008
Transfers out	(3,341,230)	(144,000)	(2,594,433)	-
Total Other Financing Sources (Uses)	(1,940,130)	785,058	(2,565,528)	3,749,008
Net Change in Fund Balances	5,256,247	(333,664)	(73,734)	(1,934,184)
FUND BALANCES				
Beginning of year	14,581,646	1,957,704	8,650,638	3,581,658
End of Year	<u>\$ 19,837,893</u>	<u>\$ 1,624,040</u>	<u>\$ 8,576,904</u>	<u>\$ 1,647,474</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,052,865	\$ 31,614,595
-	887,806
-	7,608,972
21,784	10,469,244
400,028	1,739,282
49,811	1,675,038
-	1,365,904
-	491,072
-	84,708
14,522	2,580,596
1,603,316	1,746,388
128,642	4,211,314
<u>4,270,968</u>	<u>64,474,919</u>
-	6,417,066
-	10,885,669
-	630,874
-	7,137,792
1,601,281	2,244,945
2,310,491	5,766,626
-	14,072,489
324,802	7,461,954
-	820,000
-	417,003
-	5,699,850
<u>4,236,574</u>	<u>61,554,268</u>
<u>34,394</u>	<u>2,920,651</u>
-	2,158
-	26,250
-	6,079,663
-	(6,079,663)
<u>-</u>	<u>28,408</u>
34,394	2,949,059
<u>2,680,953</u>	<u>31,452,599</u>
<u>\$ 2,715,347</u>	<u>\$ 34,401,658</u>

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, 2019

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 2,949,059</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	8,880,452
Depreciation expense	(4,194,534)
Equity interest in joint venture	<u>8,266</u>
	<u>4,694,184</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>180,907</u>
<p>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.</p>	
Principal paid on bonds	<u>820,000</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	25,341
Compensated absences	189,226
Pension obligations	(935,539)
Other post employment benefit obligations	<u>(3,919,849)</u>
	<u>(4,640,821)</u>
<p>Internal service funds are used by management to charge the costs of risk to individual funds. The net revenue of the activities of internal service funds are reported within governmental activities.</p>	
	<u>999,858</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,003,187</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, 2019

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 14,080,625	\$ 14,080,625	\$ 14,353,449	\$ 272,824
Other tax items	540,000	540,000	887,806	347,806
Non-property taxes	6,243,750	6,243,750	7,608,972	1,365,222
Departmental income	2,852,270	2,852,270	2,703,245	(149,025)
Intergovernmental charges	-	-	-	-
Use of money and property	913,000	913,000	1,315,630	402,630
Licenses and permits	973,100	973,100	1,365,904	392,804
Fines and forfeitures	425,000	425,000	491,072	66,072
Sale of property and compensation for loss	3,000	3,000	44,075	41,075
State aid	1,157,500	1,157,500	1,639,184	481,684
Federal aid	62,500	62,500	143,072	80,572
Miscellaneous	230,250	230,250	3,965,628	3,735,378
Total Revenues	27,480,995	27,480,995	34,518,037	7,037,042
EXPENDITURES				
Current				
General government support	7,498,991	7,135,564	6,417,066	718,498
Public safety	11,332,578	11,373,493	10,885,669	487,824
Health	1,250	1,250	1,250	-
Transportation	407,400	532,121	522,471	9,650
Economic opportunity and development	697,320	714,185	643,664	70,521
Culture and recreation	3,499,537	3,552,093	3,286,546	265,547
Home and community services	651,489	702,334	646,375	55,959
Employee benefits	5,849,325	6,087,413	4,876,427	1,210,986
Debt service				
Principal	-	-	-	-
Interest	48,925	48,999	42,192	6,807
Total Expenditures	29,986,815	30,147,452	27,321,660	2,825,792
Excess (Deficiency) of Revenues Over Expenditures	(2,505,820)	(2,666,457)	7,196,377	9,862,834
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Sale of equipment	-	-	26,250	26,250
Transfers in	1,374,850	1,374,850	1,374,850	-
Transfers out	(251,450)	(3,341,230)	(3,341,230)	-
Total Other Financing Sources (Uses)	1,123,400	(1,966,380)	(1,940,130)	26,250
Net Change in Fund Balances	(1,382,420)	(4,632,837)	5,256,247	9,889,084
FUND BALANCES				
Beginning of year	1,382,420	4,632,837	14,581,646	9,948,809
End of Year	\$ -	\$ -	\$ 19,837,893	\$ 19,837,893

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 Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,554,175	\$ 5,554,175	\$ 5,554,175	\$ -	\$ 9,647,619	\$ 9,647,619	\$ 9,654,106	\$ 6,487
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	8,176,250	8,176,250	7,744,215	(432,035)
-	-	-	-	866,366	866,366	1,339,254	472,888
8,500	8,500	51,669	43,169	120,330	120,330	257,928	137,598
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,313	1,313	45,000	45,000	39,320	(5,680)
460,000	460,000	714,890	254,890	-	-	212,000	212,000
-	-	-	-	-	-	-	-
44,000	44,000	66,759	22,759	8,000	8,000	33,627	25,627
<u>6,066,675</u>	<u>6,066,675</u>	<u>6,388,806</u>	<u>322,131</u>	<u>18,863,565</u>	<u>18,863,565</u>	<u>19,280,450</u>	<u>416,885</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	631,000	631,000	629,624	1,376
5,941,530	7,209,978	6,615,321	594,657	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	301,673	301,673	169,589	132,084
-	-	-	-	14,618,062	14,537,430	13,426,114	1,111,316
861,750	1,020,456	884,769	135,687	1,479,465	1,701,097	1,375,956	325,141
-	-	-	-	820,000	820,000	820,000	-
8,650	8,650	7,438	1,212	376,075	376,075	367,373	8,702
<u>6,811,930</u>	<u>8,239,084</u>	<u>7,507,528</u>	<u>731,556</u>	<u>18,226,275</u>	<u>18,367,275</u>	<u>16,788,656</u>	<u>1,578,619</u>
<u>(745,255)</u>	<u>(2,172,409)</u>	<u>(1,118,722)</u>	<u>1,053,687</u>	<u>637,290</u>	<u>496,290</u>	<u>2,491,794</u>	<u>1,995,504</u>
-	-	2,158	2,158	-	-	-	-
-	-	-	-	-	-	-	-
112,900	926,900	926,900	-	28,905	28,905	28,905	-
(144,000)	(144,000)	(144,000)	-	(2,023,605)	(3,444,403)	(2,594,433)	849,970
<u>(31,100)</u>	<u>782,900</u>	<u>785,058</u>	<u>2,158</u>	<u>(1,994,700)</u>	<u>(3,415,498)</u>	<u>(2,565,528)</u>	<u>849,970</u>
<u>(776,355)</u>	<u>(1,389,509)</u>	<u>(333,664)</u>	<u>1,055,845</u>	<u>(1,357,410)</u>	<u>(2,919,208)</u>	<u>(73,734)</u>	<u>2,845,474</u>
<u>776,355</u>	<u>1,389,509</u>	<u>1,957,704</u>	<u>568,195</u>	<u>1,357,410</u>	<u>2,919,208</u>	<u>8,650,638</u>	<u>5,731,430</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,624,040</u>	<u>\$ 1,624,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,576,904</u>	<u>\$ 8,576,904</u>

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2019

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	\$ 830,543
Due from other funds	<u>371,155</u>
Total Assets	<u>1,201,698</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	196,500
Non-current liabilities	
Claims payable, less current portion	<u>1,730,350</u>
Total Liabilities	<u>1,926,850</u>
NET POSITION	
Unrestricted	<u><u>\$ (725,152)</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, 2019

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 920,528
Miscellaneous	<u>551,213</u>
Total Operating Revenues	<u>1,471,741</u>
OPERATING EXPENSES	
Workers' compensation benefits	277,859
Judgments and claims	<u>194,953</u>
Total Operating Expenses	<u>472,812</u>
Income from Operations	998,929
NON-OPERATING REVENUES	
Interest income	<u>929</u>
Change in Net Position	999,858
NET POSITION	
Beginning of Year	<u>(1,725,010)</u>
End of Year	<u><u>\$ (725,152)</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, 2019

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 725,575
Cash received from insurance carriers, claimants and others	551,213
Cash payments to insurance carriers, claimants and others	<u>(639,619)</u>
Net Cash from Operating Activities	<u>637,169</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>929</u>
Net Decrease in Cash and Equivalents	638,098
CASH AND EQUIVALENTS	
Beginning of Year	<u>192,445</u>
End of Year	<u><u>\$ 830,543</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	\$ 998,929
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Due from other funds	(194,953)
Claims payable	<u>(166,807)</u>
Net Cash from Operating Activities	<u><u>\$ 637,169</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, 2019

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 16,003,134
Real property taxes receivable for other governments	<u>36,394,592</u>
Total Assets	<u>\$ 52,397,726</u>
LIABILITIES	
Due to other governments	<u>\$ 52,397,726</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
December 31, 2019

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 151,250,348
DEDUCTIONS	
Payments of real property taxes to other governments	<u>151,250,348</u>
Net Increase 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, 2019

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 accounting policies of the Town conform to generally accepted accounting principles as applicable 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 following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 the 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 in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

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:

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 on behalf of others. The Custodial Fund is also used to account for real property taxes collected for other governments that are payable to other jurisdictions or individuals.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 as soon as 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. 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 post-employment benefit obligations are recorded only 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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town follows the provisions of GASB Statement No. 72, “*Fair Value Measurements 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 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, 2019.

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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, 2019, 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 year's 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.

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).

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 \$40,000 for permit revenues received in advance in the Highway Fund. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position 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 \$153,876 for real property taxes collected in advance and \$1,965,987 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 3,205,885	\$ 1,033,831
New York State and Local Police and Fire Retirement System	3,100,673	1,003,963
Taxes collected in advance	-	153,876
Other postemployment benefit obligations	<u>4,235,644</u>	<u>3,433,539</u>
	<u>\$ 10,542,202</u>	<u>\$ 5,625,209</u>

The Town's deferred outflows of resources and deferred inflows of resources in relation to its pension obligations are detailed in the discussion of the Town's pension plans in Note 3F.

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 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 - The net pension liability represents the Town's proportionate share of the net pension liability 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".

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its 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. Net position on the Statement of Net Position includes, net investment in

Note 1 - Summary of Significant Accounting Policies (Continued)

capital assets, restricted for debt service, special revenue funds (Community Development), trusts and parklands. The balance is classified as unrestricted.

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 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 amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 May 11, 2020.

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.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.
- 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 \$726,318 exists in the Internal Service Fund – Workers’ Compensation Benefits Fund as of December 31, 2019. The Workers’ Compensation Benefits Fund deficit is attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. This deficit will be addressed in future periods.

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. Adoption of Accounting Standard

For the year ended December 31, 2019, the Town implemented GASB Statement No. 84, “*Fiduciary Activities*”. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

F. Reclassification of Prior Year Presentation

Certain prior amounts have been reclassified to conform with the current year presentation with the respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2019 consisted of the following:

Town and County taxes - Current	\$	683,699
Taxes receivable - Overdue		2,890,959
Property acquired for taxes		<u>559,153</u>
		4,133,811
Less - Allowance for uncollectible taxes		<u>(1,484,125)</u>
	\$	<u>2,649,686</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$2,411,556, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2019 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 36,312	\$ 304,001
Highway	-	40,042
Special Districts	-	27,112
Non-Major Governmental	-	36,312
Internal Service	371,155	-
	<u>\$ 407,467</u>	<u>\$ 407,467</u>

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

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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.

Total Assets	\$ 28,057,124
Total Deferred Outflows of Resources	1,090,040
Total Liabilities	12,949,597
Total Deferred Inflows of Resources	808,286
Total Equity	15,389,281
Total Operating Revenues	11,668,672
Total Non-Operating Revenues	9,000
Total Expenses	11,660,803

D. Capital Assets

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

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Capital Assets, not being depreciated:				
Land	\$ 15,309,930	\$ -	\$ -	\$ 15,309,930
Construction-in-progress	6,407,210	5,699,850	-	12,107,060
Total Capital Assets, not being Depreciated	<u>\$ 21,717,140</u>	<u>\$ 5,699,850</u>	<u>\$ -</u>	<u>\$ 27,416,990</u>
Capital Assets, being depreciated:				
Land improvements	\$ 10,094,700	\$ -	\$ -	\$ 10,094,700
Buildings and improvements	44,066,477	106,472	-	44,172,949
Infrastructure	91,968,716	1,547,209	-	93,515,925
Machinery and equipment	18,678,458	1,526,921	232,867	19,972,512
Total Capital Assets, being Depreciated	<u>164,808,351</u>	<u>3,180,602</u>	<u>232,867</u>	<u>167,756,086</u>
Less Accumulated Depreciation for				
Land improvements	5,843,213	365,049	-	6,208,262
Buildings and improvements	13,753,270	1,094,544	-	14,847,814
Infrastructure	51,468,376	1,936,966	-	53,405,342
Machinery and equipment	13,965,267	797,975	232,867	14,530,375
Total Accumulated Depreciation	<u>85,030,126</u>	<u>4,194,534</u>	<u>232,867</u>	<u>88,991,793</u>
Total Capital Assets, being Depreciated, net	<u>\$ 79,778,225</u>	<u>\$ (1,013,932)</u>	<u>\$ -</u>	<u>\$ 78,764,293</u>
Capital Assets, net	<u>\$ 101,495,365</u>	<u>\$ 4,685,918</u>	<u>\$ -</u>	<u>\$ 106,181,283</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities:		
General Government Support		\$ 205,478
Public Safety		291,163
Transportation		1,449,952
Economic Opportunity and Development		23,796
Culture and Recreation		696,057
Home and Community Services		<u>1,528,088</u>
Total Depreciation Expense		<u>\$ 4,194,534</u>

E. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance January 1, 2019</u>	<u>Redemptions</u>	<u>Balance December 31, 2019</u>
Various Capital Projects	2008	12/11/20	1.97 %	\$ 1,867,250	\$ 415,500	\$ 1,451,750
Various Capital Projects	2015	05/08/20	2.60	<u>2,918,689</u>	<u>486,900</u>	<u>2,431,789</u>
				<u>\$ 4,785,939</u>	<u>\$ 902,400</u>	<u>\$ 3,883,539</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 \$94,072 were recorded in the fund financial statements in the funds identified below. Interest expense of \$85,301 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 42,118
Special Districts	<u>51,954</u>
	<u>\$ 94,072</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2019:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
General Obligation Bonds Payable					
Capital Construction	\$ 15,200,000	\$ -	\$ 820,000	\$ 14,380,000	\$ 855,000
Other Non-Current Liabilities:					
Claims Payable	2,093,657	472,812	639,619	1,926,850	196,500
Compensated Absences	1,346,570	-	189,226	1,157,344	116,000
Net pension liability	3,180,119	2,979,303	-	6,159,422	-
Other Post Employment Benefit Obligations Payable	67,834,709	6,084,410	1,210,048	72,709,071	-
Total Other Non-Current Liabilities	74,455,055	9,536,525	2,038,893	81,952,687	312,500
Total Long-Term Liabilities	\$ 89,655,055	\$ 9,536,525	\$ 2,858,893	\$ 96,332,687	\$ 1,167,500

Each governmental fund's liability for bonds, compensated absences, net pension liability and other post employment 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, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2019
Sewer District Improvements	2002	\$ 670,800	October, 2031	4.5220 - 5.082 %	\$ 210,000
Sewer District Improvements	2003	5,644,195	July, 2030	5.5060 - 6.306	2,515,000
Sewer District Improvements	2004	5,960,770	May, 2033	4.235 - 4.625	3,375,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.402 - 4.656	8,280,000
					<u>\$ 14,380,000</u>

Interest expenditures of \$322,931 were recorded in the fund financial statements in the following funds:

Fund	Amount
General	\$ 74
Highway	7,438
Special Districts	<u>315,419</u>
	<u>\$ 322,931</u>

Interest expense of \$306,447 was recorded in the government-wide financial statements for governmental activities.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2019 including interest payments of \$5,866,818, are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 855,000	\$ 695,096	\$ 1,550,096
2021	870,000	653,448	1,523,448
2022	880,000	610,295	1,490,295
2023	900,000	566,164	1,466,164
2024	935,000	520,187	1,455,187
2025-2029	4,500,000	1,899,189	6,399,189
2030-2034	3,815,000	806,355	4,621,355
2035-2037	1,625,000	116,084	1,741,084
	<u>\$ 14,380,000</u>	<u>\$ 5,866,818</u>	<u>\$ 20,246,818</u>

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 year ended December 31, 2019 is as follows:

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	\$ 1,823,610	\$ 270,047	\$ 1,801,946	\$ 368,180
Provision for Claims and Claims Adjustment Expenses	277,859	194,953	494,381	176,202
Claims and Claims Adjustment Expenses Paid	<u>(639,619)</u>	<u>-</u>	<u>(472,717)</u>	<u>(274,335)</u>
Balance - End of Year	<u>\$ 1,461,850</u>	<u>\$ 465,000</u>	<u>\$ 1,823,610</u>	<u>\$ 270,047</u>
Due Within One Year	<u>\$ 150,000</u>	<u>\$ 46,500</u>	<u>\$ 180,000</u>	<u>\$ 27,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.4 %
	2 75I	19.5
	3 A14	15.8
	4 A15	15.8
	5 A15	13.2
	6 A15	9.3

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384D	24.3 %
	5 384D	19.8
	6 375I	8.8
	6 384D	14.6

At December 31, 2019, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	\$ 3,115,251	\$ 3,044,171
Town's proportion of the net pension liability	0.0439678%	0.1815180%
Change in proportion since the prior measurement date	0.0021119%	0.0005406%

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2019, the Town recognized pension expense in the government-wide financial statements of \$2,237,803 for ERS and \$2,029,913 for PFRS. Pension expenditures of \$1,832,181 for ERS and \$1,499,996 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 928,724	\$ 1,499,996
Highway	282,513	-
Special Districts	457,813	-
Library	163,646	-
	<u>1,832,181</u>	<u>1,499,996</u>
Total	<u>\$ 1,832,181</u>	<u>\$ 1,499,996</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	PFRS	ERS	PFRS	Total	
	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	\$ 613,458	\$ 209,121	\$ 739,513	\$ 325,016	\$ 1,352,971	\$ 534,137
Changes of assumptions	783,047	-	1,106,029	-	1,889,076	-
Net difference between projected and actual earnings on pension plan investments	-	799,546	-	609,673	-	1,409,219
Changes in proportion and differences between Town contributions and proportionate share of contributions	455,482	25,164	130,520	69,274	586,002	94,438
Town contributions subsequent to the measurement date	1,353,898	-	1,124,611	-	2,478,509	-
	<u>\$ 3,205,885</u>	<u>\$ 1,033,831</u>	<u>\$ 3,100,673</u>	<u>\$ 1,003,963</u>	<u>\$ 6,306,558</u>	<u>\$ 2,037,794</u>

\$1,353,898 and \$1,124,611 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, 2020. 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
2020	\$ 803,364	\$ 644,931
2021	(498,690)	(95,688)
2022	31,980	12,503
2023	481,502	349,611
2024	-	60,742

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, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0% *	7.0% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

*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-2014.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 7.0%. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the ERS net pension liability (asset)	\$ 13,620,375	\$ 3,115,251	\$ (5,709,798)
Town's proportionate share of the PFRS net pension liability (asset)	\$ 11,001,180	\$ 3,044,171	\$ (3,600,855)

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	182,718,124,000	32,451,037,000	215,169,161,000
Employers' net pension liability	\$ 7,085,305,000	\$ 1,677,063,000	\$ 8,762,368,000
Fiduciary net position as a percentage of total pension liability	96.27%	95.09%	96.09%

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, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 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, 2019 were \$1,353,898 and \$1,124,611, 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 Post Employment Benefit Obligations ("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 post employment 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.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	114
Active employees	<u>233</u>
	<u><u>347</u></u>

The Town's total OPEB liability of \$72,709,071 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

The total OPEB liability in the January 1, 2019 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	3.26%
Healthcare cost trend rates	8.0% for 2020, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2027
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 sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2016.

The actuarial assumptions used in the January 1, 2017 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, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 67,834,709
Service cost	2,571,260
Interest	2,447,161
Differences between expected and actual experience	(3,774,747)
Changes in assumptions or other inputs	4,840,736
Benefit payments	<u>(1,210,048)</u>
Total OPEB Liability - End of Year	<u><u>\$ 72,709,071</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 (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
Total OPEB Liability	<u>\$ 85,446,337</u>	<u>\$ 72,709,071</u>	<u>\$ 59,971,805</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (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>\$ 58,646,577</u>	<u>\$ 72,709,071</u>	<u>\$ 89,902,784</u>

For the year ended December 31, 2019, the Town recognized OPEB expense of \$5,129,897 in the government-wide financial statements. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 3,433,539
Differences between expected and actual experience	<u>4,235,644</u>	<u>-</u>
	<u>\$ 4,235,644</u>	<u>\$ 3,433,539</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>	
2020	\$ 111,476
2021	111,476
2022	111,476
2023	111,476
2024	111,476
Thereafter	244,725

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

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, 2019, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 356,261
Highway Fund	248,324
Special Districts Fund	405,415
Non-Major Governmental Funds	<u>17,471</u>
	<u>\$ 1,027,471</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	\$ -	\$ 822,550	\$ -	\$ 2,518,680	\$ 3,341,230
Highway Fund	-	-	-	144,000	144,000
Special Districts Fund	<u>1,374,850</u>	<u>104,350</u>	<u>28,905</u>	<u>1,086,328</u>	<u>2,594,433</u>
	<u>\$ 1,374,850</u>	<u>\$ 926,900</u>	<u>\$ 28,905</u>	<u>\$ 3,749,008</u>	<u>\$ 6,079,663</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, 2019

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, 2019

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2019					2018						
	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	\$ 599,011	\$ 70,510	\$ 116,645	\$ -	\$ 46,764	\$ 832,930	\$ 631,687	\$ 70,983	\$ 107,879	\$ -	\$ 49,866	\$ 860,415
Restricted												
Employee benefit accrued liability	755,942	81,268	214,963	-	102,806	1,154,979	797,526	178,122	190,841	-	141,632	1,308,121
Debt service	-	-	1,151,092	-	62,133	1,213,225	-	-	1,151,092	-	61,067	1,212,159
Parklands	-	-	-	-	409,761	409,761	-	-	-	-	489,776	489,776
Trusts	-	-	-	-	688,276	688,276	-	-	-	-	742,229	742,229
Community development	-	-	-	-	69,181	69,181	-	-	-	-	57,517	57,517
Capital projects	-	-	-	1,647,474	-	1,647,474	-	-	-	3,581,658	-	3,581,658
Total Restricted	755,942	81,268	1,366,055	1,647,474	1,332,157	5,182,896	797,526	178,122	1,341,933	3,581,658	1,492,221	7,391,460
Assigned												
Purchases on order												
General government support	110,512	-	-	-	-	110,512	136,961	-	-	-	-	136,961
Public safety	151,093	-	-	-	-	151,093	86,308	-	-	-	-	86,308
Health	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	2,700	296,572	-	-	-	299,272	4,000	726,355	-	-	-	730,355
Economic opportunity and development	1,016	-	-	-	-	1,016	1,420	-	-	-	-	1,420
Culture and recreation	68,597	-	-	-	16,875	85,472	50,912	-	-	-	15,878	66,790
Home and community services	5,276	-	343,086	-	-	348,362	2,819	-	436,804	-	-	439,623
	339,194	296,572	343,086	-	16,875	995,727	282,420	726,355	436,804	-	15,878	1,461,457
Subsequent year's expenditures	925,000	-	518,035	-	100,000	1,543,035	1,100,000	-	926,880	-	150,000	2,176,880
Tax certiorari	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810
Ballpark	-	-	-	-	-	-	-	-	-	-	-	-
Major funds	-	1,175,690	6,233,083	-	-	7,408,773	-	982,244	5,837,142	-	-	6,819,386
Non-major funds												
Public Library	-	-	-	-	1,219,551	1,219,551	-	-	-	-	972,988	972,988
Total Assigned	1,794,004	1,472,262	7,094,204	-	1,336,426	11,696,896	1,912,230	1,708,599	7,200,826	-	1,138,866	11,960,521
Unassigned	16,688,936	-	-	-	-	16,688,936	11,240,203	-	-	-	-	11,240,203
Total Fund Balances	\$ 19,837,893	\$ 1,624,040	\$ 8,576,904	\$ 1,647,474	\$ 2,715,347	\$ 34,401,658	\$ 14,581,646	\$ 1,957,704	\$ 8,650,638	\$ 3,581,658	\$ 2,680,953	\$ 31,452,599

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2019

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, 2019, 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.

Town of Yorktown, New York

Notes to Financial Statements (Concluded)
December 31, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 \$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, 2019 aggregated less than \$40,000 and, therefore, detail information has been excluded from these financial statements.

Note 6 - Subsequent Event

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Town's economically sensitive revenues (i.e. sales taxes, mortgage recording taxes, interest earnings, fees, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Town's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relation of protective measures, management cannot reasonably estimate the actual impact on the Town's financial position at the time.

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)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 2,571,260	\$ 2,566,792
Interest	2,447,161	2,319,488
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,774,747)	(174,181) (4)
Changes of assumptions or other inputs	4,840,736	-
Benefit payments	<u>(1,210,048)</u>	<u>(1,199,167)</u>
Net Change in Total OPEB Liability	4,874,362	3,512,932
Total OPEB Liability – Beginning of Year	<u>67,834,709</u>	<u>64,321,777</u> (3)
Total OPEB Liability – End of Year	<u>\$ 72,709,071</u>	<u>\$ 67,834,709</u>
Town's covered employee payroll	<u>\$ 22,447,549</u>	<u>\$ 21,403,200</u>
Total OPEB liability as a percentage of covered employee payroll	<u>323.91%</u>	<u>324.11%</u>

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%.

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 (2)

	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<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	<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>\$ 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 as a percentage of its covered payroll	<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>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	<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>(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>
Town's covered payroll	<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>14.65%</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) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

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)

	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<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>\$ 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>\$ 7,023,013</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>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>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,501,539	\$ 1,555,480	\$ 1,444,033	\$ 1,427,123	\$ 1,080,555
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<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>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) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

Town of Yorktown, New York

General Fund
 Comparative Balance Sheet
 December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 20,117,897	\$ 15,816,533
Taxes receivable		
Town and County taxes	683,699	402,524
Taxes receivable - Overdue	2,890,959	3,012,639
Property acquired for taxes	<u>559,153</u>	<u>559,153</u>
	4,133,811	3,974,316
Allowance for uncollectible taxes	<u>(1,484,125)</u>	<u>(1,665,205)</u>
	<u>2,649,686</u>	<u>2,309,111</u>
Other receivables		
Accounts	293,578	98,076
Due from other governments	1,988,152	1,525,162
Due from other funds	<u>36,312</u>	<u>32,085</u>
	<u>2,318,042</u>	<u>1,655,323</u>
Prepaid expenditures	<u>599,011</u>	<u>631,687</u>
Total Assets	<u>\$ 25,684,636</u>	<u>\$ 20,412,654</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 796,506	\$ 778,379
Due to other governments	41,095	21,275
Deposits	2,139,709	2,121,565
Due to other funds	304,001	141,490
Unearned revenues	<u>-</u>	<u>333,333</u>
Total Liabilities	<u>3,281,311</u>	<u>3,396,042</u>
Deferred inflows of resources		
Taxes collected in advance	153,876	204,317
Deferred tax revenues	<u>2,411,556</u>	<u>2,230,649</u>
Total Deferred Inflows of Resources	<u>2,565,432</u>	<u>2,434,966</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,846,743</u>	<u>5,831,008</u>
Fund balance		
Nonspendable	599,011	631,687
Restricted	755,942	797,526
Assigned	1,794,004	1,912,230
Unassigned	<u>16,688,936</u>	<u>11,240,203</u>
Total Fund Balance	<u>19,837,893</u>	<u>14,581,646</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 25,684,636</u>	<u>\$ 20,412,654</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,

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 14,080,625	\$ 14,080,625	\$ 14,353,449	\$ 272,824
Other tax items	540,000	540,000	887,806	347,806
Non-property taxes	6,243,750	6,243,750	7,608,972	1,365,222
Departmental income	2,852,270	2,852,270	2,703,245	(149,025)
Use of money and property	913,000	913,000	1,315,630	402,630
Licenses and permits	973,100	973,100	1,365,904	392,804
Fines and forfeitures	425,000	425,000	491,072	66,072
Sale of property and compensation for loss	3,000	3,000	44,075	41,075
State aid	1,157,500	1,157,500	1,639,184	481,684
Federal aid	62,500	62,500	143,072	80,572
Miscellaneous	230,250	230,250	3,965,628	3,735,378
Total Revenues	<u>27,480,995</u>	<u>27,480,995</u>	<u>34,518,037</u>	<u>7,037,042</u>
EXPENDITURES				
Current				
General government support	7,498,991	7,135,564	6,417,066	718,498
Public safety	11,332,578	11,373,493	10,885,669	487,824
Health	1,250	1,250	1,250	-
Transportation	407,400	532,121	522,471	9,650
Economic opportunity and development	697,320	714,185	643,664	70,521
Culture and recreation	3,499,537	3,552,093	3,286,546	265,547
Home and community services	651,489	702,334	646,375	55,959
Employee benefits	5,849,325	6,087,413	4,876,427	1,210,986
Debt service				
Interest	48,925	48,999	42,192	6,807
Total Expenditures	<u>29,986,815</u>	<u>30,147,452</u>	<u>27,321,660</u>	<u>2,825,792</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,505,820)</u>	<u>(2,666,457)</u>	<u>7,196,377</u>	<u>9,862,834</u>
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	-	26,250	26,250
Transfers in	1,374,850	1,374,850	1,374,850	-
Transfers out	(251,450)	(3,341,230)	(3,341,230)	-
Total Other Financing Sources (Uses)	<u>1,123,400</u>	<u>(1,966,380)</u>	<u>(1,940,130)</u>	<u>26,250</u>
Net Change in Fund Balance	<u>(1,382,420)</u>	<u>(4,632,837)</u>	<u>5,256,247</u>	<u>9,889,084</u>
FUND BALANCE				
Beginning of Year	<u>1,382,420</u>	<u>4,632,837</u>	<u>14,581,646</u>	<u>9,948,809</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,837,893</u>	<u>\$ 19,837,893</u>

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 13,678,120	\$ 13,678,120	\$ 13,561,154	\$ (116,966)
928,750	928,750	769,151	(159,599)
6,165,750	6,165,750	6,766,070	600,320
2,335,500	2,335,500	2,533,531	198,031
728,500	728,500	1,100,882	372,382
692,250	692,250	1,721,377	1,029,127
425,000	425,000	434,025	9,025
3,000	3,000	63,369	60,369
1,384,250	1,384,250	1,978,773	594,523
57,500	57,500	132,472	74,972
58,500	58,500	3,046,547	2,988,047
<u>26,457,120</u>	<u>26,457,120</u>	<u>32,107,351</u>	<u>5,650,231</u>
7,275,111	7,478,649	6,372,576	1,106,073
10,787,428	10,905,527	10,541,372	364,155
1,250	1,250	1,250	-
388,825	387,923	360,813	27,110
697,974	697,216	633,317	63,899
3,305,039	3,304,517	3,078,543	225,974
724,443	761,568	693,117	68,451
5,615,150	5,615,150	4,591,091	1,024,059
28,500	28,500	28,297	203
<u>28,823,720</u>	<u>29,180,300</u>	<u>26,300,376</u>	<u>2,879,924</u>
<u>(2,366,600)</u>	<u>(2,723,180)</u>	<u>5,806,975</u>	<u>8,530,155</u>
-	-	-	-
1,397,705	1,397,705	1,397,705	-
(269,430)	(3,124,870)	(3,124,870)	-
<u>1,128,275</u>	<u>(1,727,165)</u>	<u>(1,727,165)</u>	<u>-</u>
(1,238,325)	(4,450,345)	4,079,810	8,530,155
<u>1,238,325</u>	<u>4,450,345</u>	<u>10,501,836</u>	<u>6,051,491</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,581,646</u>	<u>\$ 14,581,646</u>

Town of Yorktown, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
REAL PROPERTY TAXES	\$ 14,080,625	\$ 14,080,625	\$ 14,353,449	\$ 272,824	\$ 13,561,154
OTHER TAX ITEMS					
Interest and penalties on real property taxes	500,000	500,000	852,780	352,780	740,891
Payments in lieu of taxes	40,000	40,000	35,026	(4,974)	28,260
	540,000	540,000	887,806	347,806	769,151
NON-PROPERTY TAXES					
Non-property tax distribution from County	5,250,000	5,250,000	6,601,788	1,351,788	5,776,760
Franchise fees	993,750	993,750	1,007,184	13,434	989,310
	6,243,750	6,243,750	7,608,972	1,365,222	6,766,070
DEPARTMENTAL INCOME					
Tax collector fees	2,000	2,000	1,178	(822)	9,868
Town Clerk fees	50,500	50,500	31,493	(19,007)	35,730
Police fees	5,000	5,000	4,226	(774)	5,458
Police alarm fees	50,000	50,000	14,993	(35,007)	17,672
Parks and recreation fees	1,260,500	1,260,500	1,158,239	(102,261)	1,157,348
Planning Board fees	27,500	27,500	31,897	4,397	26,869
Zoning fees	18,500	18,500	11,360	(7,140)	15,290
Inspection fees	200,000	200,000	168,772	(31,228)	251,629
Title search fees	42,500	42,500	37,520	(4,980)	37,815
General administration fees	16,000	16,000	18,846	2,846	12,417
Advisory Board Architectural Community Appearance (ABACA)	7,500	7,500	9,188	1,688	2,000
Assessors fees	1,000	1,000	1,055	55	997
Tax map	250	250	-	(250)	5
School resources officers	889,500	889,500	897,145	7,645	662,110
Services to other governments	185,000	185,000	192,174	7,174	180,374
Driving While Intoxicated Program	2,500	2,500	2,838	338	2,316
Section 8 Housing Assistance Fund reimbursement	94,020	94,020	122,321	28,301	115,633
	2,852,270	2,852,270	2,703,245	(149,025)	2,533,531

USE OF MONEY AND PROPERTY

Earnings on investments	235,000	235,000	633,388	398,388	406,401
Rental of real property	380,000	380,000	394,572	14,572	398,899
Special facility charges (YCCC)	298,000	298,000	287,670	(10,330)	295,582

	913,000	913,000	1,315,630	402,630	1,100,882
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LICENSES AND PERMITS

Wetlands permits	3,600	3,600	-	(3,600)	3,600
Certificates of occupancy	20,000	20,000	33,696	13,696	39,088
Bingo licenses	2,000	2,000	295	(1,705)	656
Dog license fund apportionment	14,500	14,500	14,409	(91)	13,392
Building permits	903,000	903,000	1,203,890	300,890	1,559,307
Plumbing fees	25,000	25,000	112,664	87,664	99,044
Non-conforming building permits	5,000	5,000	950	(4,050)	6,290

	973,100	973,100	1,365,904	392,804	1,721,377
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FINES AND FORFEITURES

Fines and forfeited bail	425,000	425,000	491,072	66,072	434,025
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	3,000	3,000	2,382	(618)	5,114
Insurance recoveries	-	-	41,693	41,693	58,255

	3,000	3,000	44,075	41,075	63,369
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STATE AID

Per capita	-	-	-	-	176,777
Mortgage tax	1,100,000	1,100,000	1,275,698	175,698	1,588,927
Police	-	-	11,607	11,607	10,000
Seatbelt grant	10,000	10,000	-	(10,000)	-
Nutrition program	47,500	47,500	49,282	1,782	51,158
State emergency management assistance	-	-	-	-	83,425
Other	-	-	302,597	302,597	68,486

	1,157,500	1,157,500	1,639,184	481,684	1,978,773
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FEDERAL AID

Nutrition program	60,000	60,000	59,879	(121)	59,237
Bulletproof vest	2,500	2,500	83,193	80,693	73,235

	62,500	62,500	143,072	80,572	132,472
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(Continued)

Town of Yorktown, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2019
 (With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)	\$ 9,739
County grants	22,000	22,000	15,298	(6,702)	31,801
Licensing agreement	-	-	3,483,333	3,483,333	2,841,667
Unclassified	203,250	203,250	466,997	263,747	163,340
	<u>230,250</u>	<u>230,250</u>	<u>3,965,628</u>	<u>3,735,378</u>	<u>3,046,547</u>
TOTAL REVENUES	<u>27,480,995</u>	<u>27,480,995</u>	<u>34,518,037</u>	<u>7,037,042</u>	<u>32,107,351</u>
OTHER FINANCING SOURCES					
Sale of equipment	-	-	26,250	26,250	-
Transfers in					
Special Districts Fund					
Consolidated Water District	535,500	535,500	535,500	-	529,750
Sewer Districts	577,250	577,250	577,250	-	579,705
Refuse District	237,100	237,100	237,100	-	261,750
Park Districts	25,000	25,000	25,000	-	26,500
	<u>1,374,850</u>	<u>1,374,850</u>	<u>1,374,850</u>	<u>-</u>	<u>1,397,705</u>
TOTAL OTHER FINANCING SOURCES	<u>1,374,850</u>	<u>1,374,850</u>	<u>1,401,100</u>	<u>26,250</u>	<u>1,397,705</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 28,855,845</u>	<u>\$ 28,855,845</u>	<u>\$ 35,919,137</u>	<u>\$ 7,063,292</u>	<u>\$ 33,505,056</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, 2019
 (With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 172,800	\$ 154,158	\$ 139,313	\$ 14,845	\$ 125,700
Town Justice	694,141	689,725	637,017	52,708	605,063
Supervisor	367,025	387,461	378,597	8,864	344,220
Finance	669,030	669,030	624,010	45,020	544,074
Auditor	45,250	45,250	45,250	-	43,088
Receiver of Taxes	243,000	243,000	218,743	24,257	211,225
Purchasing	202,500	209,357	124,036	85,321	160,289
Board of Assessors	531,803	531,804	497,761	34,043	472,399
Town Clerk	386,195	396,423	382,217	14,206	360,036
Town Attorney	431,019	454,183	361,523	92,660	337,966
Engineer	611,083	643,043	598,004	45,039	793,641
Elections	106,200	102,070	99,095	2,975	96,924
Buildings	922,427	935,419	841,267	94,152	820,967
Community and cultural center	320,777	342,134	269,686	72,448	317,101
Public safety facilities	234,900	234,858	218,754	16,104	219,281
Central services	55,750	53,750	197,802	(144,052)	178,926
Central garage	349,341	378,354	313,928	64,426	318,746
Unallocated insurance	359,000	359,000	346,079	12,921	341,346
Municipal association dues	3,000	3,000	2,800	200	2,800
Taxes on Town-owned property	90,000	77,250	40,406	36,844	26,812
Property tax refunds	150,000	150,000	30,066	119,934	3,516
Metropolitan commuter transportation mobility tax	53,750	52,834	50,712	2,122	48,456
Contingency	500,000	23,461	-	23,461	-
	<u>7,498,991</u>	<u>7,135,564</u>	<u>6,417,066</u>	<u>718,498</u>	<u>6,372,576</u>
PUBLIC SAFETY					
Police Department	10,404,180	10,429,444	9,988,281	441,163	9,647,141
Traffic control	24,000	38,950	35,851	3,099	25,523
Jail	500	1,200	517	683	62
Building inspector	903,898	903,899	861,020	42,879	868,646
	<u>11,332,578</u>	<u>11,373,493</u>	<u>10,885,669</u>	<u>487,824</u>	<u>10,541,372</u>

HEALTH					
Health services	1,250	1,250	1,250	-	1,250
TRANSPORTATION					
Superintendent of Highways	245,900	249,516	247,772	1,744	230,223
Street lighting	161,500	282,605	274,699	7,906	130,590
	407,400	532,121	522,471	9,650	360,813
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Nutrition program	694,320	711,185	642,676	68,509	631,788
Historical celebrations	3,000	3,000	988	2,012	1,529
	697,320	714,185	643,664	70,521	633,317
CULTURE AND RECREATION					
Recreation administration	612,067	605,409	560,047	45,362	587,651
Playgrounds and recreation centers	1,569,186	1,732,126	1,586,045	146,081	1,387,581
Swimming pool	454,627	414,136	386,592	27,544	346,763
Special events	21,850	21,850	20,534	1,316	32,934
Adult recreation	64,250	53,270	40,879	12,391	39,809
Youth programs	666,582	612,047	590,635	21,412	591,389
Museum	79,475	79,475	68,812	10,663	64,745
Senior citizens program	31,500	33,780	33,002	778	27,671
	3,499,537	3,552,093	3,286,546	265,547	3,078,543
HOME AND COMMUNITY SERVICES					
Zoning Board	5,260	5,260	1,784	3,476	2,050
Section 8 Housing	95,770	96,859	96,515	344	90,992
Planning Board	533,709	583,205	532,706	50,499	585,625
Conservation	16,750	17,010	15,370	1,640	14,450
	651,489	702,334	646,375	55,959	693,117
EMPLOYEE BENEFITS					
State retirement	1,364,400	1,364,400	928,724	435,676	1,002,008
Police retirement	2,075,500	2,075,500	1,499,996	575,504	1,501,538
Social security	1,198,100	1,198,100	1,103,984	94,116	1,050,570
Hospital, medical and dental insurance	1,010,000	1,010,000	945,907	64,093	880,374
Workers' compensation benefits	150,000	408,162	368,295	39,867	135,675
Unemployment benefits	10,500	500	-	500	-
Other	40,825	30,751	29,521	1,230	20,926
	5,849,325	6,087,413	4,876,427	1,210,986	4,591,091

(Continued)

Town of Yorktown, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended December 31, 2019
 (With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
DEBT SERVICE					
Interest					
Serial bonds	\$ -	\$ 74	\$ 74	\$ -	\$ -
Bond anticipation notes	48,925	48,925	42,118	6,807	28,297
	<u>48,925</u>	<u>48,999</u>	<u>42,192</u>	<u>6,807</u>	<u>28,297</u>
TOTAL EXPENDITURES	<u>29,986,815</u>	<u>30,147,452</u>	<u>27,321,660</u>	<u>2,825,792</u>	<u>26,300,376</u>
OTHER FINANCING USES					
Transfers out					
Highway Fund	8,550	822,550	822,550	-	558,380
Capital Projects Fund	242,900	2,518,680	2,518,680	-	2,566,490
	<u>251,450</u>	<u>3,341,230</u>	<u>3,341,230</u>	<u>-</u>	<u>3,124,870</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 30,238,265</u>	<u>\$ 33,488,682</u>	<u>\$ 30,662,890</u>	<u>\$ 2,825,792</u>	<u>\$ 29,425,246</u>

See independent auditors' report.

Town of Yorktown, New York

Highway Fund
 Comparative Balance Sheet
 December 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 1,718,421	\$ 2,012,521
Prepaid expenditures	70,510	70,983
Total Assets	\$ 1,788,931	\$ 2,083,504
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 84,849	\$ 111,811
Due to other funds	40,042	13,989
Unearned revenues	40,000	-
Total Liabilities	164,891	125,800
Fund balance		
Nonspendable	70,510	70,983
Restricted	81,268	178,122
Assigned	1,472,262	1,708,599
Total Fund Balance	1,624,040	1,957,704
Total Liabilities and Fund Balance	\$ 1,788,931	\$ 2,083,504

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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,554,175	\$ 5,554,175	\$ 5,554,175	\$ -
Use of money and property	8,500	8,500	51,669	43,169
Sale of property and compensation for loss	-	-	1,313	1,313
State aid	460,000	460,000	714,890	254,890
Miscellaneous	44,000	44,000	66,759	22,759
Total Revenues	<u>6,066,675</u>	<u>6,066,675</u>	<u>6,388,806</u>	<u>322,131</u>
EXPENDITURES				
Current				
Transportation	5,941,530	7,209,978	6,615,321	594,657
Employee benefits	861,750	1,020,456	884,769	135,687
Debt service				
Interest	8,650	8,650	7,438	1,212
Total Expenditures	<u>6,811,930</u>	<u>8,239,084</u>	<u>7,507,528</u>	<u>731,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(745,255)</u>	<u>(2,172,409)</u>	<u>(1,118,722)</u>	<u>1,053,687</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	2,158	2,158
Transfers in	112,900	926,900	926,900	-
Transfers out	(144,000)	(144,000)	(144,000)	-
Total Other Financing Sources (Uses)	<u>(31,100)</u>	<u>782,900</u>	<u>785,058</u>	<u>2,158</u>
Net Change in Fund Balance	<u>(776,355)</u>	<u>(1,389,509)</u>	<u>(333,664)</u>	<u>1,055,845</u>
FUND BALANCE				
Beginning of Year	<u>776,355</u>	<u>1,389,509</u>	<u>1,957,704</u>	<u>568,195</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,624,040</u>	<u>\$ 1,624,040</u>

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,390,840 8,000	\$ 5,390,840 8,000	\$ 5,390,840 31,967	\$ - 23,967
-	-	1,734	1,734
460,000	460,000	536,120	76,120
24,000	24,000	370,723	346,723
<u>5,882,840</u>	<u>5,882,840</u>	<u>6,331,384</u>	<u>448,544</u>
5,054,017 823,750	6,556,586 827,026	5,587,829 662,860	968,757 164,166
6,500	6,500	6,462	38
<u>5,884,267</u>	<u>7,390,112</u>	<u>6,257,151</u>	<u>1,132,961</u>
(1,427)	(1,507,272)	74,233	1,581,505
-	-	3,153	3,153
111,410	661,410	661,410	-
(144,000)	(144,000)	(144,000)	-
(32,590)	517,410	520,563	3,153
(34,017)	(989,862)	594,796	1,584,658
34,017	989,862	1,362,908	373,046
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,957,704</u>	<u>\$ 1,957,704</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2019
 (With Comparative Totals for 2018)

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	\$ 1,920,279	\$ 4,009,031	\$ 927,463
Accounts receivable	1,585,521	123,274	-
Prepaid expenditures	49,471	33,827	33,347
Total Assets	<u>\$ 3,555,271</u>	<u>\$ 4,166,132</u>	<u>\$ 960,810</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 656,691	\$ 202,073	\$ 242,092
Due to other funds	13,399	13,713	-
Total Liabilities	<u>670,090</u>	<u>215,786</u>	<u>242,092</u>
Fund balances			
Nonspendable	49,471	33,827	33,347
Restricted	479,565	744,049	114,964
Assigned	2,356,145	3,172,470	570,407
Total Fund Balances	<u>2,885,181</u>	<u>3,950,346</u>	<u>718,718</u>
Total Liabilities and Fund Balances	<u>\$ 3,555,271</u>	<u>\$ 4,166,132</u>	<u>\$ 960,810</u>

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals	
		2019	2018
\$ 1,016,521	\$ 72,132	\$ 7,945,426	\$ 8,145,446
-	-	1,708,795	1,682,714
-	-	116,645	107,879
<u>\$ 1,016,521</u>	<u>\$ 72,132</u>	<u>\$ 9,770,866</u>	<u>\$ 9,936,039</u>
\$ 13,934	\$ 52,060	\$ 1,166,850	\$ 1,264,678
-	-	27,112	20,723
<u>13,934</u>	<u>52,060</u>	<u>1,193,962</u>	<u>1,285,401</u>
-	-	116,645	107,879
27,477	-	1,366,055	1,341,933
<u>975,110</u>	<u>20,072</u>	<u>7,094,204</u>	<u>7,200,826</u>
<u>1,002,587</u>	<u>20,072</u>	<u>8,576,904</u>	<u>8,650,638</u>
<u>\$ 1,016,521</u>	<u>\$ 72,132</u>	<u>\$ 9,770,866</u>	<u>\$ 9,936,039</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, 2019
 (With Comparative Totals for 2018)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	\$ 1,296,850	\$ 3,312,209	\$ 4,181,078
Departmental income	7,163,996	532,521	47,698
Intergovernmental charges	-	1,339,254	-
Use of money and property	44,008	160,413	32,840
Sale of property and compensation for loss	25,616	-	296
State aid	132,000	-	-
Miscellaneous	15,543	-	18,084
Total Revenues	8,678,013	5,344,397	4,279,996
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	6,999,147	2,739,950	3,687,017
Employee benefits	725,281	367,904	281,514
Debt service			
Principal			
Serial bonds	-	820,000	-
Interest			
Serial bonds	25,828	289,591	-
Bond anticipation notes	-	51,954	-
Total Expenditures	7,750,256	4,269,399	3,968,531
Excess (Deficiency) of Revenues Over Expenditures	927,757	1,074,998	311,465
OTHER FINANCING SOURCES (USES)			
Transfers in	-	28,905	-
Transfers out	(880,500)	(1,392,033)	(296,900)
Total Other Financing Uses	(880,500)	(1,363,128)	(296,900)
Net Change in Fund Balances	47,257	(288,130)	14,565
FUND BALANCES			
Beginning of Year	2,837,924	4,238,476	704,153
End of Year	<u>\$ 2,885,181</u>	<u>\$ 3,950,346</u>	<u>\$ 718,718</u>

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals	
		2019	2018
\$ 260,469	\$ 603,500	\$ 9,654,106	\$ 9,481,944
-	-	7,744,215	8,080,573
-	-	1,339,254	822,898
17,271	3,396	257,928	189,078
-	13,408	39,320	82,313
80,000	-	212,000	-
-	-	33,627	36,656
<u>357,740</u>	<u>620,304</u>	<u>19,280,450</u>	<u>18,693,462</u>
-	629,624	629,624	610,868
169,589	-	169,589	275,474
-	-	13,426,114	13,018,394
1,257	-	1,375,956	1,132,219
-	-	820,000	1,420,000
-	-	315,419	336,908
-	-	51,954	42,290
<u>170,846</u>	<u>629,624</u>	<u>16,788,656</u>	<u>16,836,153</u>
<u>186,894</u>	<u>(9,320)</u>	<u>2,491,794</u>	<u>1,857,309</u>
-	-	28,905	28,675
(25,000)	-	(2,594,433)	(4,466,660)
(25,000)	-	(2,565,528)	(4,437,985)
161,894	(9,320)	(73,734)	(2,580,676)
<u>840,693</u>	<u>29,392</u>	<u>8,650,638</u>	<u>11,231,314</u>
<u>\$ 1,002,587</u>	<u>\$ 20,072</u>	<u>\$ 8,576,904</u>	<u>\$ 8,650,638</u>

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2019
 (With Comparative Totals for 2018)

	Consolidated Water	Kitchawan Water	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 1,778,484	\$ 141,795	\$ 1,920,279	\$ 2,101,585
Accounts receivable	1,584,307	1,214	1,585,521	1,363,447
Prepaid expenditures	49,471	-	49,471	48,656
Total Assets	\$ 3,412,262	\$ 143,009	\$ 3,555,271	\$ 3,513,688
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 652,778	\$ 3,913	\$ 656,691	\$ 668,754
Due to other funds	13,399	-	13,399	7,010
Total Liabilities	666,177	3,913	670,090	675,764
Fund balances				
Nonspendable	49,471	-	49,471	48,656
Restricted	479,565	-	479,565	456,751
Assigned	2,217,049	139,096	2,356,145	2,332,517
Total Fund Balances	2,746,085	139,096	2,885,181	2,837,924
Total Liabilities and Fund Balances	\$ 3,412,262	\$ 143,009	\$ 3,555,271	\$ 3,513,688

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, 2019
 (With Comparative Totals for 2018)

	Consolidated Water	Kitchawan Water	Totals	
			2019	2018
REVENUES				
Real property taxes	\$ 1,291,550	\$ 5,300	\$ 1,296,850	\$ 1,264,500
Departmental income	7,135,482	28,514	7,163,996	7,257,231
Use of money and property	41,494	2,514	44,008	29,037
Sale of property and compensation for loss	25,616	-	25,616	75,815
State aid	132,000	-	132,000	-
Miscellaneous	15,543	-	15,543	24,927
Total Revenues	8,641,685	36,328	8,678,013	8,651,510
EXPENDITURES				
Current				
Home and community services	6,958,077	41,070	6,999,147	6,622,616
Employee benefits	725,281	-	725,281	698,596
Debt service				
Principal				
Serial bonds	-	-	-	615,000
Interest				
Serial bonds	25,828	-	25,828	22,374
Total Expenditures	7,709,186	41,070	7,750,256	7,958,586
Excess (Deficiency) of Revenues Over Expenditures	932,499	(4,742)	927,757	692,924
OTHER FINANCING USES				
Transfers out	(880,500)	-	(880,500)	(615,750)
Net Change in Fund Balances	51,999	(4,742)	47,257	77,174
FUND BALANCES				
Beginning of Year	2,694,086	143,838	2,837,924	2,760,750
End of Year	\$ 2,746,085	\$ 139,096	\$ 2,885,181	\$ 2,837,924

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
Combining Balance Sheet - Sub Funds
December 31, 2019
(With Comparative Totals for 2018)

	<u>Yorktown</u>	<u>Osceola</u>	<u>Hunter Brook</u>	<u>Clover Road</u>
ASSETS				
Cash and equivalents	\$ 2,949,762	\$ 216,943	\$ 144,078	\$ 65,792
Accounts receivable	123,274	-	-	-
Prepaid expenditures	33,827	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,106,863</u>	<u>\$ 216,943</u>	<u>\$ 144,078</u>	<u>\$ 65,792</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 182,897	\$ 794	\$ 12,173	\$ -
Due to other funds	13,713	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>196,610</u>	<u>794</u>	<u>12,173</u>	<u>-</u>
Fund balances				
Nonspendable	33,827	-	-	-
Restricted	608,990	-	-	-
Assigned	2,267,436	216,149	131,905	65,792
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,910,253</u>	<u>216,149</u>	<u>131,905</u>	<u>65,792</u>
Total Liabilities and Fund Balances	<u>\$ 3,106,863</u>	<u>\$ 216,943</u>	<u>\$ 144,078</u>	<u>\$ 65,792</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 17,018	\$ 46,714	\$ 58,032	\$ 162,626	\$ 127,361	\$ 163,566
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,018</u>	<u>\$ 46,714</u>	<u>\$ 58,032</u>	<u>\$ 162,626</u>	<u>\$ 127,361</u>	<u>\$ 163,566</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,906	-	64,633	59,520	-
17,018	35,808	58,032	97,993	67,841	163,566
<u>17,018</u>	<u>46,714</u>	<u>58,032</u>	<u>162,626</u>	<u>127,361</u>	<u>163,566</u>
<u>\$ 17,018</u>	<u>\$ 46,714</u>	<u>\$ 58,032</u>	<u>\$ 162,626</u>	<u>\$ 127,361</u>	<u>\$ 163,566</u>

(Continued)

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2019
 (With Comparative Totals for 2018)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 25,550	\$ 31,589	\$ 4,009,031	\$ 4,174,995
Accounts receivable	-	-	123,274	316,766
Prepaid expenditures	-	-	33,827	33,657
Total Assets	\$ 25,550	\$ 31,589	\$ 4,166,132	\$ 4,525,418
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 6,209	\$ 202,073	\$ 273,229
Due to other funds	-	-	13,713	13,713
Total Liabilities	-	6,209	215,786	286,942
Fund balances				
Nonspendable	-	-	33,827	33,657
Restricted	-	-	744,049	744,049
Assigned	25,550	25,380	3,172,470	3,460,770
Total Fund Balances	25,550	25,380	3,950,346	4,238,476
Total Liabilities and Fund Balances	\$ 25,550	\$ 31,589	\$ 4,166,132	\$ 4,525,418

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, 2019
 (With Comparative Totals for 2018)

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	\$ 2,342,329	\$ 40,250	\$ 289,805	\$ -
Departmental income	532,521	-	-	-
Intergovernmental charges	1,339,254	-	-	-
Use of money and property	96,643	3,758	4,013	1,130
Miscellaneous	-	-	-	-
Total Revenues	4,310,747	44,008	293,818	1,130
EXPENDITURES				
Current				
Home and community services	2,564,233	28,096	130,272	222
Employee benefits	367,904	-	-	-
Debt service				
Principal				
Serial bonds	410,850	-	120,000	-
Interest				
Serial bonds	177,489	-	45,295	-
Bond anticipation notes	3,478	-	-	-
Total Expenditures	3,523,954	28,096	295,567	222
Excess (Deficiency) of Revenues Over Expenditures	786,793	15,912	(1,749)	908
OTHER FINANCING SOURCES (USES)				
Transfers in	28,905	-	-	-
Transfers out	(1,055,378)	(5,900)	(40,255)	-
Total Other Financing Uses	(1,026,473)	(5,900)	(40,255)	-
Net Change in Fund Balances	(239,680)	10,012	(42,004)	908
FUND BALANCES				
Beginning of Year	3,149,933	206,137	173,909	64,884
End of Year	<u>\$ 2,910,253</u>	<u>\$ 216,149</u>	<u>\$ 131,905</u>	<u>\$ 65,792</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 222,470	\$ 62,125	\$ 15,350	\$ 52,530	\$ 78,500	\$ 44,900
-	-	-	-	-	-
-	-	-	-	-	-
922	1,107	37,128	2,994	3,270	3,335
-	-	-	-	-	-
<u>223,392</u>	<u>63,232</u>	<u>52,478</u>	<u>55,524</u>	<u>81,770</u>	<u>48,235</u>
8,149	1,949	327	2,852	1,210	629
-	-	-	-	-	-
174,820	52,400	15,000	46,930	-	-
42,881	9,263	196	14,467	-	-
-	-	-	-	21,926	12,910
<u>225,850</u>	<u>63,612</u>	<u>15,523</u>	<u>64,249</u>	<u>23,136</u>	<u>13,539</u>
<u>(2,458)</u>	<u>(380)</u>	<u>36,955</u>	<u>(8,725)</u>	<u>58,634</u>	<u>34,696</u>
-	-	-	-	-	-
-	-	-	-	(65,000)	(31,500)
-	-	-	-	(65,000)	(31,500)
(2,458)	(380)	36,955	(8,725)	(6,366)	3,196
<u>19,476</u>	<u>47,094</u>	<u>21,077</u>	<u>171,351</u>	<u>133,727</u>	<u>160,370</u>
<u>\$ 17,018</u>	<u>\$ 46,714</u>	<u>\$ 58,032</u>	<u>\$ 162,626</u>	<u>\$ 127,361</u>	<u>\$ 163,566</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, 2019
 (With Comparative Totals for 2018)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2019	2018
REVENUES				
Real property taxes	\$ 40,600	\$ 123,350	\$ 3,312,209	\$ 3,288,819
Departmental income	-	-	532,521	770,001
Intergovernmental charges	-	-	1,339,254	822,898
Use of money and property	911	5,202	160,413	120,539
Miscellaneous	-	-	-	1,050
Total Revenues	41,511	128,552	5,344,397	5,003,307
EXPENDITURES				
Current				
Home and community services	570	1,441	2,739,950	2,756,686
Employee benefits	-	-	367,904	234,586
Debt service				
Principal				
Serial bonds	-	-	820,000	805,000
Interest				
Serial bonds	-	-	289,591	314,534
Bond anticipation notes	9,098	4,542	51,954	42,290
Total Expenditures	9,668	5,983	4,269,399	4,153,096
Excess (Deficiency) of Revenues Over Expenditures	31,843	122,569	1,074,998	850,211
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	28,905	28,675
Transfers out	(30,750)	(163,250)	(1,392,033)	(3,504,010)
Total Other Financing Uses	(30,750)	(163,250)	(1,363,128)	(3,475,335)
Net Change in Fund Balances	1,093	(40,681)	(288,130)	(2,625,124)
FUND BALANCES				
Beginning of Year	24,457	66,061	4,238,476	6,863,600
End of Year	\$ 25,550	\$ 25,380	\$ 3,950,346	\$ 4,238,476

See independent auditors' report.

Town of Yorktown, New York

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

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 927,463	\$ 940,299
Prepaid expenditures	33,347	25,566
	<u> </u>	<u> </u>
Total Assets	<u>\$ 960,810</u>	<u>\$ 965,865</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 242,092	\$ 261,712
	<u> </u>	<u> </u>
Fund balances		
Nonspendable	33,347	25,566
Restricted	114,964	113,656
Assigned	570,407	564,931
	<u> </u>	<u> </u>
Total Fund Balances	<u>718,718</u>	<u>704,153</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 960,810</u>	<u>\$ 965,865</u>

See independent auditors' report.

Town of Yorktown, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Real property taxes	\$ 4,181,078	\$ 4,086,510
Departmental income	47,698	52,269
Use of money and property	32,840	22,918
Sale of property and compensation for loss	296	-
Miscellaneous	18,084	10,679
	<u>4,279,996</u>	<u>4,172,376</u>
EXPENDITURES		
Current		
Home and community services	3,687,017	3,639,092
Employee benefits	281,514	197,649
	<u>3,968,531</u>	<u>3,836,741</u>
Excess of Revenues Over Expenditures		
	311,465	335,635
OTHER FINANCING USES		
Transfers out	<u>(296,900)</u>	<u>(320,400)</u>
Net Change in Fund Balance		
	14,565	15,235
FUND BALANCE		
Beginning of Year	<u>704,153</u>	<u>688,918</u>
End of Year	<u>\$ 718,718</u>	<u>\$ 704,153</u>

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Park Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2019
 (With Comparative Totals for 2018)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
ASSETS				
Cash and equivalents	<u>\$ 168,535</u>	<u>\$ 131,961</u>	<u>\$ 245,550</u>	<u>\$ 34,699</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	<u>\$ 5,445</u>	<u>\$ -</u>	<u>\$ 6,021</u>	<u>\$ 363</u>
Fund balances				
Restricted	-	-	-	-
Assigned	<u>163,090</u>	<u>131,961</u>	<u>239,529</u>	<u>34,336</u>
Total Fund Balances	<u>163,090</u>	<u>131,961</u>	<u>239,529</u>	<u>34,336</u>
Total Liabilities and Fund Balances	<u>\$ 168,535</u>	<u>\$ 131,961</u>	<u>\$ 245,550</u>	<u>\$ 34,699</u>

See independent auditors' report.

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2019	2018
<u>\$ 235,717</u>	<u>\$ 48,175</u>	<u>\$ 122</u>	<u>\$ 151,762</u>	<u>\$ 1,016,521</u>	<u>\$ 851,757</u>
<u>\$ 2,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,934</u>	<u>\$ 11,064</u>
27,477	-	-	-	27,477	27,477
<u>206,135</u>	<u>48,175</u>	<u>122</u>	<u>151,762</u>	<u>975,110</u>	<u>813,216</u>
<u>233,612</u>	<u>48,175</u>	<u>122</u>	<u>151,762</u>	<u>1,002,587</u>	<u>840,693</u>
<u>\$ 235,717</u>	<u>\$ 48,175</u>	<u>\$ 122</u>	<u>\$ 151,762</u>	<u>\$ 1,016,521</u>	<u>\$ 851,757</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, 2019
 (With Comparative Totals for 2018)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
REVENUES				
Real property taxes	\$ 55,000	\$ 8,500	\$ 90,244	\$ 12,000
Use of money and property	2,827	2,262	3,803	653
State Aid	-	-	80,000	-
	<u>57,827</u>	<u>10,762</u>	<u>174,047</u>	<u>12,653</u>
EXPENDITURES				
Current				
Culture and recreation	26,908	1,325	72,969	8,366
Employee benefits	335	-	464	-
	<u>27,243</u>	<u>1,325</u>	<u>73,433</u>	<u>8,366</u>
Excess (Deficiency) of Revenues Over Expenditures	30,584	9,437	100,614	4,287
OTHER FINANCING USES				
Transfers out	<u>(4,000)</u>	<u>(2,000)</u>	<u>(6,500)</u>	<u>(2,500)</u>
Net Change in Fund Balances	26,584	7,437	94,114	1,787
FUND BALANCES				
Beginning of year	<u>136,506</u>	<u>124,524</u>	<u>145,415</u>	<u>32,549</u>
End of Year	<u>\$ 163,090</u>	<u>\$ 131,961</u>	<u>\$ 239,529</u>	<u>\$ 34,336</u>

See independent auditors' report.

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2019	2018
\$ 63,625	\$ 29,100	\$ 2,000	\$ -	\$ 260,469	\$ 253,065
4,162	945	14	2,605	17,271	14,069
-	-	-	-	80,000	-
<u>67,787</u>	<u>30,045</u>	<u>2,014</u>	<u>2,605</u>	<u>357,740</u>	<u>267,134</u>
36,551	23,470	-	-	169,589	275,474
-	458	-	-	1,257	1,388
<u>36,551</u>	<u>23,928</u>	<u>-</u>	<u>-</u>	<u>170,846</u>	<u>276,862</u>
31,236	6,117	2,014	2,605	186,894	(9,728)
<u>(5,000)</u>	<u>(3,000)</u>	<u>(2,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>(26,500)</u>
26,236	3,117	14	2,605	161,894	(36,228)
<u>207,376</u>	<u>45,058</u>	<u>108</u>	<u>149,157</u>	<u>840,693</u>	<u>876,921</u>
<u>\$ 233,612</u>	<u>\$ 48,175</u>	<u>\$ 122</u>	<u>\$ 151,762</u>	<u>\$ 1,002,587</u>	<u>\$ 840,693</u>

Town of Yorktown, New York

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

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 72,132	\$ 76,810
Accounts receivable	-	2,501
	<u>72,132</u>	<u>79,311</u>
Total Assets	<u>\$ 72,132</u>	<u>\$ 79,311</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 52,060	\$ 49,919
Fund balance		
Assigned	<u>20,072</u>	<u>29,392</u>
	<u>\$ 72,132</u>	<u>\$ 79,311</u>
Total Liabilities and Fund Balance	<u>\$ 72,132</u>	<u>\$ 79,311</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>2019</u>	<u>2018</u>
REVENUES		
Real property taxes	\$ 603,500	\$ 589,050
Departmental income	-	1,072
Use of money and property	3,396	2,515
Sale of property and compensation for loss	<u>13,408</u>	<u>6,498</u>
 Total Revenues	 620,304	 599,135
 EXPENDITURES		
Current		
Health	<u>629,624</u>	<u>610,868</u>
 Deficiency of Revenues Over Expenditures	 (9,320)	 (11,733)
 FUND BALANCE		
Beginning of Year	<u>29,392</u>	<u>41,125</u>
 End of Year	 <u><u>\$ 20,072</u></u>	 <u><u>\$ 29,392</u></u>

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 5,789,057</u>	<u>\$ 8,608,627</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 258,044	\$ 241,030
Bond anticipation notes payable	<u>3,883,539</u>	<u>4,785,939</u>
Total Liabilities	4,141,583	5,026,969
Fund balance		
Restricted	<u>1,647,474</u>	<u>3,581,658</u>
Total Liabilities and Fund Balance	<u>\$ 5,789,057</u>	<u>\$ 8,608,627</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>2019</u>	<u>2018</u>
REVENUES		
Miscellaneous	\$ 16,658	\$ 177,073
EXPENDITURES		
Capital outlay	<u>5,699,850</u>	<u>3,615,381</u>
Deficiency of Revenues Over Expenditures	(5,683,192)	(3,438,308)
OTHER FINANCING SOURCES		
Transfers in	<u>3,749,008</u>	<u>5,723,092</u>
Net Change in Fund Balance	(1,934,184)	2,284,784
FUND BALANCE		
Beginning of Year	<u>3,581,658</u>	<u>1,296,874</u>
End of Year	<u><u>\$ 1,647,474</u></u>	<u><u>\$ 3,581,658</u></u>

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
 Project-Length Schedule
 Inception Of Project Through December 31, 2019

<u>PROJECT</u>	<u>Sub-Fund</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>
Granite Knolls Sports and Recreation Complex	HA	\$ 6,327,752	\$ 6,292,526
Hunterbrook Rt. 202 Extension	HB	3,000,000	1,358,959
Improve/Construct Roads	HC	1,450,000	1,233,891
Hill Boulevard Bridge Replacement	HD	2,600,000	208,695
Veterans Road Culvert Replacement	HE	820,000	136,685
Gomer Street Sewer	HG	610,000	601,470
Water Department Fluoride Project	HI	1,058,970	138,050
Library Bathroom Renovation	HH	244,658	130,658
Improve Sparkle Lake Dam	HK	270,000	253,936
Pump Station Upgrades	HP	2,345,000	2,188,615
Improve Various Town Buildings	HV	1,261,546	1,032,280
NWJWW Tank Replacement	HU	1,100,000	1,100,000
Highway Heavy Equipment and Machinery	HW	820,000	819,998
Various Items	HY	509,685	488,217
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Suncrest Sewer	JH	750,000	750,000
Railroad Park Rehabilitation	JJ	456,817	67,467
Overlook Sewer	JW	1,600,000	1,400,000
Totals		<u>\$ 28,224,428</u>	<u>\$ 21,199,337</u>

See independent auditors' report.

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2019	Bond Anticipation Notes Outstanding at December 31, 2019
\$ 35,226	\$ 6,327,752	\$ 35,226	\$ -
1,641,041	1,506,459	147,500	-
216,109	1,088,000	(145,891)	1,062,000
2,391,305	2,600,000	2,391,305	-
683,315	820,000	683,315	-
8,530	305,220	(296,250)	296,250
920,920	209,000	70,950	-
114,000	130,658	-	-
16,064	72,000	(181,936)	198,000
156,385	2,706,828	518,213	-
229,266	1,226,557	194,277	34,989
-	200,000	(900,000)	900,000
2	656,000	(163,998)	164,000
21,468	437,700	(50,517)	72,800
2,110	3,000,000	2,110	-
-	317,500	(432,500)	432,500
389,350	566,137	498,670	-
200,000	677,000	(723,000)	723,000
<u>\$ 7,025,091</u>	<u>\$ 22,846,811</u>	<u>\$ 1,647,474</u>	<u>\$ 3,883,539</u>

Town of Yorktown, New York

Non-Major Governmental Funds

Combining Balance Sheet

December 31, 2019

(With Comparative Totals for 2018)

	<u>Community Development</u>	<u>Public Library</u>	<u>Special Purpose</u>
ASSETS			
Cash and equivalents	\$ 107,201	\$ 1,486,872	\$ 1,098,037
Prepaid expenditures	6,760	40,004	-
Total Assets	<u>\$ 113,961</u>	<u>\$ 1,526,876</u>	<u>\$ 1,098,037</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,708	\$ 47,640	\$ -
Due to other funds	36,312	-	-
Total Liabilities	<u>38,020</u>	<u>47,640</u>	<u>-</u>
Fund balances			
Nonspendable	6,760	40,004	-
Restricted	69,181	102,806	1,098,037
Assigned	-	1,336,426	-
Total Fund Balances	<u>75,941</u>	<u>1,479,236</u>	<u>1,098,037</u>
Total Liabilities and Fund Balances	<u>\$ 113,961</u>	<u>\$ 1,526,876</u>	<u>\$ 1,098,037</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2019	2018
\$ 62,133	\$ 2,754,243	\$ 2,708,221
-	46,764	49,866
<u>\$ 62,133</u>	<u>\$ 2,801,007</u>	<u>\$ 2,758,087</u>
\$ -	\$ 49,348	\$ 45,049
-	36,312	32,085
<u>-</u>	<u>85,660</u>	<u>77,134</u>
-	46,764	49,866
62,133	1,332,157	1,492,221
-	1,336,426	1,138,866
<u>62,133</u>	<u>2,715,347</u>	<u>2,680,953</u>
<u>\$ 62,133</u>	<u>\$ 2,801,007</u>	<u>\$ 2,758,087</u>

Town of Yorktown, New York

Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Year Ended December 31, 2019
 (With Comparative Totals for 2018)

	Community Development	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ -	\$ 2,052,865	\$ -
Departmental income	-	21,784	-
Intergovernmental charges	-	400,028	-
Use of money and property	184	35,244	13,317
State aid	-	14,522	-
Federal aid	1,603,316	-	-
Miscellaneous	9,973	2,877	115,792
Total Revenues	1,613,473	2,527,320	129,109
EXPENDITURES			
Current			
Economic opportunity and development	1,601,281	-	-
Culture and recreation	-	2,047,414	263,077
Employee benefits	-	324,802	-
Total Expenditures	1,601,281	2,372,216	263,077
Excess (Deficiency) of Revenues Over Expenditures	12,192	155,104	(133,968)
OTHER FINANCING USES			
Transfers out	-	-	-
Net Change in Fund Balances	12,192	155,104	(133,968)
FUND BALANCES			
Beginning of Year	63,749	1,324,132	1,232,005
End of Year	<u>\$ 75,941</u>	<u>\$ 1,479,236</u>	<u>\$ 1,098,037</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2019	2018
\$ -	\$ 2,052,865	\$ 2,018,355
-	21,784	30,292
-	400,028	395,812
1,066	49,811	33,650
-	14,522	85,927
-	1,603,316	1,551,713
-	128,642	205,298
<u>1,066</u>	<u>4,270,968</u>	<u>4,321,047</u>
-	1,601,281	1,553,112
-	2,310,491	2,067,222
-	324,802	333,197
-	<u>4,236,574</u>	<u>3,953,531</u>
1,066	34,394	367,516
-	-	(75,352)
1,066	34,394	292,164
<u>61,067</u>	<u>2,680,953</u>	<u>2,388,789</u>
<u>\$ 62,133</u>	<u>\$ 2,715,347</u>	<u>\$ 2,680,953</u>

Town of Yorktown, New York

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

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 107,201	\$ 93,081
Prepaid expenditures	<u>6,760</u>	<u>6,232</u>
Total Assets	<u>\$ 113,961</u>	<u>\$ 99,313</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,708	\$ 3,479
Due to other funds	<u>36,312</u>	<u>32,085</u>
Total Liabilities	<u>38,020</u>	<u>35,564</u>
Fund balance		
Nonspendable	6,760	6,232
Restricted	<u>69,181</u>	<u>57,517</u>
Total Fund Balance	<u>75,941</u>	<u>63,749</u>
Total Liabilities and Fund Balance	<u>\$ 113,961</u>	<u>\$ 99,313</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>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 184	\$ 171
Federal aid	1,603,316	1,551,713
Miscellaneous	<u>9,973</u>	<u>635</u>
 Total Revenues	 1,613,473	 1,552,519
EXPENDITURES		
Current		
Economic opportunity and development	<u>1,601,281</u>	<u>1,553,112</u>
 Excess (Deficiency) of Revenues Over Expenditures	 12,192	 (593)
FUND BALANCE		
Beginning of Year	<u>63,749</u>	<u>64,342</u>
 End of Year	 <u>\$ 75,941</u>	 <u>\$ 63,749</u>

See independent auditors' report.

Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 1,486,872	\$ 1,322,068
Prepaid expenditures	<u>40,004</u>	<u>43,634</u>
Total Assets	<u>\$ 1,526,876</u>	<u>\$ 1,365,702</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 47,640</u>	<u>\$ 41,570</u>
Fund balance		
Nonspendable	40,004	43,634
Restricted	102,806	141,632
Assigned	<u>1,336,426</u>	<u>1,138,866</u>
Total Fund Balance	<u>1,479,236</u>	<u>1,324,132</u>
Total Liabilities and Fund Balance	<u>\$ 1,526,876</u>	<u>\$ 1,365,702</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,052,865	\$ 2,052,865	\$ 2,052,865	\$ -
Departmental income	45,000	45,000	21,784	(23,216)
Intergovernmental charges	385,000	385,000	400,028	15,028
Use of money and property	12,000	12,000	35,244	23,244
State aid	12,500	12,500	14,522	2,022
Miscellaneous	3,500	3,500	2,877	(623)
Total Revenues	2,510,865	2,510,865	2,527,320	16,455
EXPENDITURES				
Current				
Culture and recreation	2,216,023	2,284,314	2,047,414	236,900
Employee benefits	460,720	461,111	324,802	136,309
Total Expenditures	2,676,743	2,745,425	2,372,216	373,209
Excess (Deficiency) of Revenues Over Expenditures	(165,878)	(234,560)	155,104	389,664
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net Change in Fund Balance	(165,878)	(234,560)	155,104	389,664
FUND BALANCE				
Beginning of Year	165,878	234,560	1,324,132	1,089,572
End of Year	\$ -	\$ -	\$ 1,479,236	\$ 1,479,236

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,018,355	\$ 2,018,355	\$ 2,018,355	\$ -
45,000	45,000	30,292	(14,708)
385,000	385,000	395,812	10,812
5,000	5,000	22,391	17,391
10,250	10,250	85,927	75,677
3,500	3,500	6,154	2,654
2,467,105	2,467,105	2,558,931	91,826
2,081,331	2,168,011	2,036,616	131,395
469,425	469,470	333,197	136,273
2,550,756	2,637,481	2,369,813	267,668
(83,651)	(170,376)	189,118	359,494
-	-	(75,352)	(75,352)
(83,651)	(170,376)	113,766	284,142
83,651	170,376	1,210,366	1,039,990
\$ -	\$ -	\$ 1,324,132	\$ 1,324,132

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 1,098,037</u>	<u>\$ 1,232,005</u>
FUND BALANCE		
Restricted	<u>\$ 1,098,037</u>	<u>\$ 1,232,005</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>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 13,317	\$ 10,381
Miscellaneous	<u>115,792</u>	<u>198,509</u>
Total Revenues	129,109	208,890
EXPENDITURES		
Current		
Culture and recreation	<u>263,077</u>	<u>30,606</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,968)	178,284
FUND BALANCE		
Beginning of Year	<u>1,232,005</u>	<u>1,053,721</u>
End of Year	<u><u>\$ 1,098,037</u></u>	<u><u>\$ 1,232,005</u></u>

See independent auditors' report.

Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 62,133</u>	<u>\$ 61,067</u>
FUND BALANCE		
Restricted	<u>\$ 62,133</u>	<u>\$ 61,067</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>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 1,066	\$ 707
EXPENDITURES		
	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	1,066	707
FUND BALANCE		
Beginning of Year	<u>61,067</u>	<u>60,360</u>
End of Year	<u><u>\$ 62,133</u></u>	<u><u>\$ 61,067</u></u>

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Net Position
 December 31, 2019
 (With Comparative Totals for 2018)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 735,532	\$ 95,011	\$ 830,543	\$ 192,445
Due from other funds	-	371,155	371,155	176,202
Total Assets	735,532	466,166	1,201,698	368,647
LIABILITIES				
Current liabilities				
Current portion of claims payable	150,000	46,500	196,500	207,000
Non-current liabilities				
Claims payable, less current portion	1,311,850	418,500	1,730,350	1,886,657
Total Liabilities	1,461,850	465,000	1,926,850	2,093,657
NET POSITION				
Unrestricted	\$ (726,318)	\$ 1,166	\$ (725,152)	\$ (1,725,010)

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, 2019
 (With Comparative Totals for 2018)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2019	2018
OPERATING REVENUES				
Charges for services	\$ 725,575	\$ 194,953	\$ 920,528	\$ 238,337
Miscellaneous	551,213	-	551,213	126,299
Total Operating Revenues	<u>1,276,788</u>	<u>194,953</u>	<u>1,471,741</u>	<u>364,636</u>
OPERATING EXPENSES				
Workers' compensation benefits	277,859	-	277,859	494,381
Judgments and claims	-	194,953	194,953	176,202
Total Operating Expenses	<u>277,859</u>	<u>194,953</u>	<u>472,812</u>	<u>670,583</u>
Income (Loss) from Operations	998,929	-	998,929	(305,947)
NON-OPERATING REVENUES				
Interest income	<u>786</u>	<u>143</u>	<u>929</u>	<u>505</u>
Change in Net Position	999,715	143	999,858	(305,442)
NET POSITION				
Beginning of Year	<u>(1,726,033)</u>	<u>1,023</u>	<u>(1,725,010)</u>	<u>(1,419,568)</u>
End of Year	<u>\$ (726,318)</u>	<u>\$ 1,166</u>	<u>\$ (725,152)</u>	<u>\$ (1,725,010)</u>

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2019
 (With Comparative Totals for 2018)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 725,575	\$ -
Cash received from insurance carriers, claimants and others	551,213	-
Cash payments to insurance carriers, claimants and others	(639,619)	-
Net Cash from Operating Activities	637,169	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	786	143
Net Change in Cash and Equivalents	637,955	143
CASH AND EQUIVALENTS		
Beginning of Year	97,577	94,868
End of Year	\$ 735,532	\$ 95,011
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (Loss) from operations	\$ 998,929	\$ -
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	-	(194,953)
Claims payable	(361,760)	194,953
Net Cash from Operating Activities	\$ 637,169	\$ -

See independent auditors' report.

Totals	
2019	2018
\$ 725,575	\$ 398,887
551,213	126,299
<u>(639,619)</u>	<u>(747,052)</u>
637,169	(221,866)
929	505
<u>638,098</u>	<u>(221,361)</u>
192,445	413,806
<u>\$ 830,543</u>	<u>\$ 192,445</u>
\$ 998,929	\$ (305,947)
(194,953)	160,550
<u>(166,807)</u>	<u>(76,469)</u>
<u>\$ 637,169</u>	<u>\$ (221,866)</u>



**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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 11, 2020.

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 may exist that have not been identified.

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

May 11, 2020



**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

We have audited the Town of Yorktown, New York's ("Town") compliance with the types of compliance requirements described 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, 2019. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of 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, 2019.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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 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.

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

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

May 11, 2020

Town of Yorktown, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number (1)	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Federal Program Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ -	\$ 1,603,316
<u>U. S. Department of Justice</u>				
Direct Program				
Bulletproof Vest	16.607	N/A	-	83,193
<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	AGET9281414	-	6,953
Special Programs for the Aging - Title III Part C	93.045	AGET9411515	-	52,926
Total U.S. Department of Health and Human Services			-	59,879
Total Expenditures of Federal Awards			\$ -	\$ 1,746,388

(1) Catalog of Federal Domestic Assistance Number

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, 2019

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, 2019. 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

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

NONE

Town of Yorktown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

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

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

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, 2019

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None