

Town of Pound Ridge, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2021

DRAFT

Town of Pound Ridge, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Pound Ridge, New York ("Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Highway Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2021 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 for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated June 26, 2023 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, 2020 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 related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

PKF O'Connor Davies, LLP

Harrison, New York

, 2023

Town of Pound Ridge, New York

Management's Discussion and Analysis ("MD&A")
December 31, 2021

Introduction

The management of the Town of Pound Ridge, New York ("Town") offers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2021 to readers of the Town's financial statements. This document should be read in conjunction with the basic financial statements, which immediately follow this section in order to enhance the understanding of the Town's financial performance.

Financial Highlights

- ❖ On the government-wide financial statements, the assets and deferred outflows of resources of the Town were at a surplus as compared to the liabilities and deferred inflows of resources at the close of 2021 by \$243,911. This reflects an increase in the total net position of \$1,213,641.
- ❖ As of the close of 2021, the Town's governmental funds reported combined ending fund balances of (\$458,999), a decrease of \$422,124 from FY 2020.
- ❖ At the end of the current year, unassigned fund balance for the General Fund was \$759,335, which equates to 12.0% of total General Fund expenditures of \$6,347,722 exclusive of Other Financing Uses - Transfers Out of \$90,000. The General Fund reported an ending total fund balance of \$5,333,431 which represents an increase of \$577,032 from FY 2020 ending fund balance of \$4,756,399.
- ❖ At the end of the current year, the Town had outstanding \$256,000 of General Obligation Bonds and \$3,930,000 of short-term bond anticipation notes. This represents a decrease in General Obligation Bonds of \$128,000 and a decrease of \$275,000 from the FY 2020 bond anticipation notes.
- ❖ For the year ended December 31, 2021 the Town reported in its Statement of Net Position a liability of \$146,656 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities, deferred inflows of resources, with the difference between the two 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 (ex., uncollected taxes and earned but unused vacation leave).

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 statement can be found immediately following this section as the first three pages of the basic financial statements.

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 legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 three major governmental funds: the General Fund, the Highway Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Public Parking District and the Special Purpose funds are grouped together as non-major governmental Funds.

Budgetary comparison statements are provided for the General Fund and the Highway Fund. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains one type of fiduciary fund, that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the Town for other parties outside of the Town's reporting entity and, in the case of the Town, primarily to account for real property taxes held for other governments.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to 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 and net pension liabilities, individual fund financial statements and schedules of "budgets to actual" comparisons.

Government-wide Financial Analysis

In accordance with GASB Statement No. 34, the Town of Pound Ridge has assets and deferred outflows of resources at a surplus balance related to liabilities and deferred inflows of resources by \$243,911 for fiscal year ended 2021. This represents an increase of \$1,213,641 above Net Position for the fiscal year ended 2020. Over time, Net Position may serve as a useful indicator of a government's financial position.

The following table reflects the condensed Statement of Net Position:

**Statement of Net Position
December 31,**

	2021	2020
Current Assets	\$ 5,444,793	\$ 5,956,806
Capital Assets, net	16,998,105	16,688,128
Total Assets	22,442,898	22,644,934
Deferred Outflows of Resources*	3,816,433	4,507,042
Current Liabilities	5,481,139	5,772,964
Long-term Liabilities	14,792,637	19,932,289
Total Liabilities	20,273,776	25,705,253
Deferred Inflows of Resources*	5,741,644	2,416,453
Net Position		
Net Investment in Capital Assets	12,812,105	12,099,128
Restricted	4,125,845	3,746,057
Unrestricted	(16,694,039)	(16,814,915)
Total Net Position	\$ 243,911	\$ (969,730)

*Detailed information pertaining to the Town's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 to the financial statements. The amounts are as follows:

Retirement System	Deferred Inflows/Outflows Amounts			
	Outflows		Inflows	
	2021	2020	2021	2020
Employee (ERS)	\$ 1,577,680	\$ 1,367,479	\$ 1,720,044	\$ 68,076
Police (PFRS)	557,808	452,718	438,496	19,430
	2,135,488	1,820,197	2,158,540	87,506
Other Post Employment Benefits (OPEB)	1,680,945	2,686,845	3,583,104	2,328,947
	<u>\$ 3,816,433</u>	<u>\$ 4,507,042</u>	<u>\$ 5,741,644</u>	<u>\$ 2,416,453</u>

The largest component of the Town's Net Position is Net Investment in Capital Assets of \$12,812,105 in 2021 and \$12,099,128 in 2020 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and 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.

The restricted Net Position of \$4,125,845 in 2021 and \$3,746,057 in 2020, represent resources that are subject to external restrictions on their use. The restrictions are:

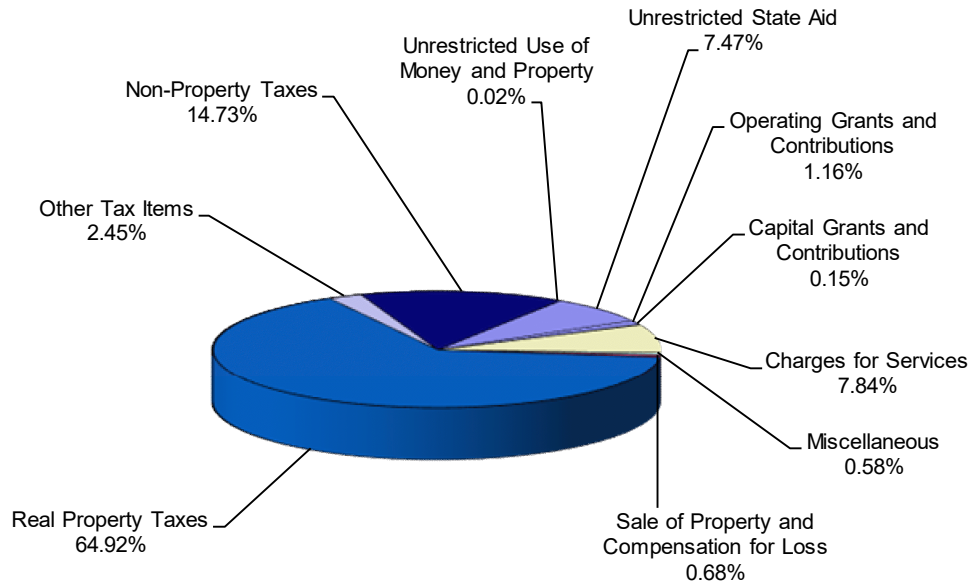
	<u>2021</u>	<u>2020</u>
Open Space	\$ 3,910,512	\$ 3,534,346
Special Revenues Fund		
Trusts	<u>215,333</u>	<u>211,711</u>
	<u>\$ 4,125,845</u>	<u>\$ 3,746,057</u>

The remaining balances represents unrestricted deficits of (\$16,694,039) in 2021 and (16,814,915) in 2020. If available, unrestricted Net Position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

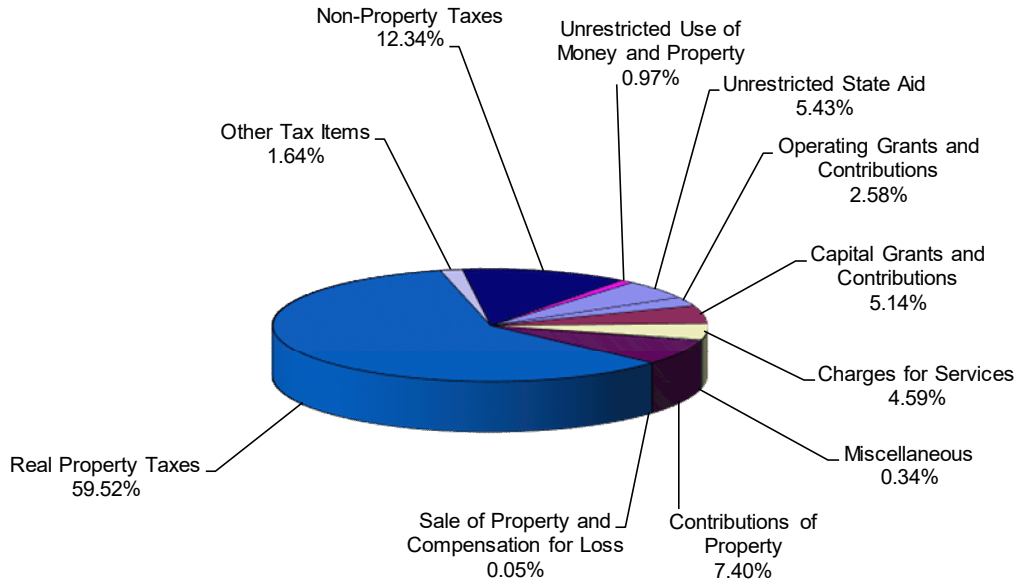
**Change in Net Position
Fiscal Year Ended December 31,**

	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 730,325	\$ 455,954
Operating Grants and Contributions	108,539	256,524
Capital Grants and Contributions	<u>14,045</u>	<u>510,940</u>
Total Program Revenues	<u>852,909</u>	<u>1,223,418</u>
General Revenues		
Real Property Taxes	6,049,649	5,913,021
Other Tax items	228,151	162,541
Non-Property Taxes	1,372,604	1,225,803
Unrestricted Use of Money and Property	1,829	96,680
Contributions of Property	-	735,000
Sale of Property and Compensation for Loss	63,197	5,300
Unrestricted State Aid	696,269	539,531
Miscellaneous	<u>54,023</u>	<u>33,741</u>
Total General Revenues	<u>8,465,722</u>	<u>8,711,617</u>
Total Revenues	<u>9,318,631</u>	<u>9,935,035</u>
EXPENSES		
Program Expenses		
General Government Support	2,053,266	2,336,983
Public Safety	1,978,155	2,224,616
Health	248,308	332,187
Transportation	2,605,099	3,141,787
Economic Opportunity and Development	5,893	6,065
Culture and Recreation	977,487	731,390
Home and Community Services	189,318	417,529
Interest	<u>47,464</u>	<u>51,633</u>
Total Expenses	<u>8,104,990</u>	<u>9,242,190</u>
Change in Net Position	1,213,641	692,845
NET POSITION		
Beginning	<u>(969,730)</u>	<u>(1,662,575)</u>
Ending	<u>\$ 243,911</u>	<u>\$ (969,730)</u>

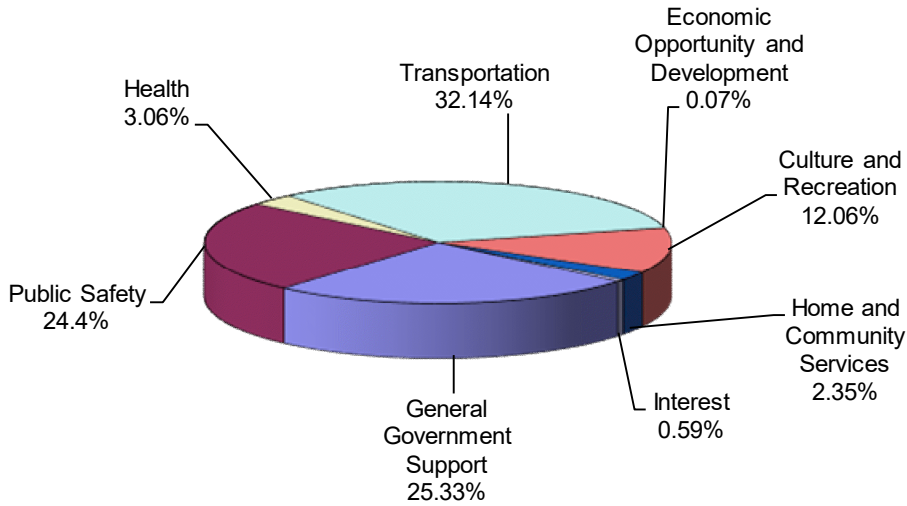
Sources of Revenue for Year 2021 Governmental Activities



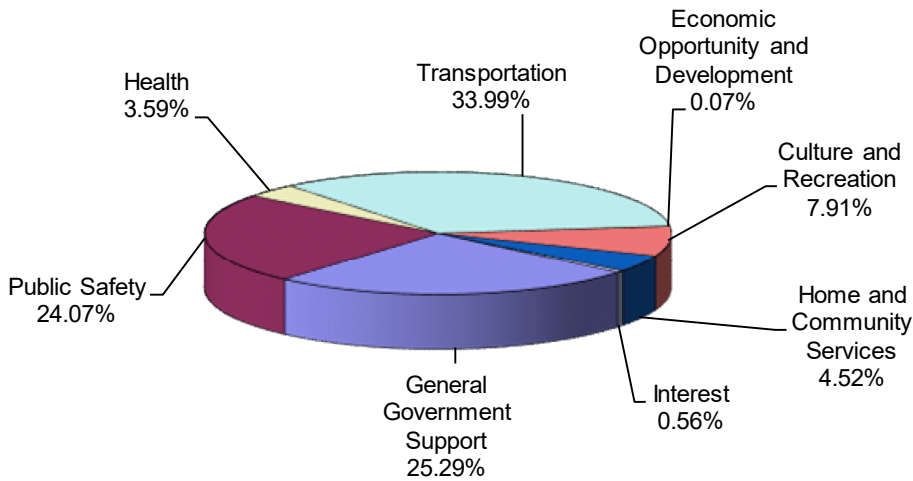
Sources of Revenue for Year 2020 Governmental Activities



Sources of Expenses for Year 2021 Governmental Activities



Sources of Expenses for Year 2020 Governmental Activities



Governmental Activities

Governmental activities increased the Town's Net Position by \$1,213,641 in 2021 and increased its net position by \$692,845 in 2020. For the fiscal year ended December 31, 2021, revenues from governmental activities totaled \$9,318,631. Tax revenues (\$7,650,404), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (82.1%).

The largest components of governmental activities' in 2021 expenses are general government support (25.3%), public safety (24.4%) and transportation (32.1%). Public Safety includes the following: Police, Fire, Safety Inspection and Animal Control. General Government Support includes the following: Town Board, Town Justice, Supervisor, Finance, Town Offices, Clerk, Law, Data Processing, Central Printing and Mailing, Unallocated Insurance, Taxes on Town Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Administration, Garage and Street Lighting.

The major changes are as follows:

Revenues

- Non-property taxes which represents mostly sales tax distribution from the County increased by \$146,801.
- Unrestricted state aid increased \$156,738 mainly the result of an increase in the mortgage tax revenue.

Expenses

- Total governmental activities expenses decreased by \$1,137,200. This decrease was largely driven by decreases in General Government Support by \$283,717, Public Safety by \$246,461 and Transportation by \$536,688. The COVID-19 pandemic is continuing to have an impact on different areas of the budget from historical trends.

Financial Analysis of the Town's Funds

Fund Balance Reporting

GASB issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. 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 fund balance includes amounts that cannot be spent because they are either not in spendable form (prepaid amounts) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity 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 the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other

governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive 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.

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.

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.

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$(458,999). The unassigned fund balance has a deficit balance in the amount of (\$5,518,655) inclusive of the Capital Project Fund deficit of (\$6,027,349). The nonspendable fund balance component consists of amounts for prepaid expenditures \$339,197. Fund balance of \$4,125,845 is restricted, in its use under the terms of a trust agreement \$215,333 and the land reserve for open space \$3,910,512.

The General Fund is the primary operating fund of the Town. At the end of FY 2021, unassigned fund balance of the General Fund was \$759,335, representing 14.2% of the total General Fund balance of \$5,333,431. When the FY 2021 General Fund budget was adopted, it anticipated to use \$250,000 of fund balance. Actual results of operations resulted in an increase in the Unassigned Fund Balance of \$71,188. Revenues were \$7,014,754, which was \$365,409 or 5.5% more than the final budget. Expenditures exclusive of Transfers Out were \$6,347,722 which was \$73,639 or 1.1%, less than the final budget.

The Highway Fund's total fund balance at the end of the current fiscal years was a deficit of (\$175,028). The deficit increased by \$179,262 from the previous year. Such deficit results from the Town not submitting Consolidated Local Street and Highway Improvement program reimbursement in the current year as well as increased health insurance costs.

The Capital Projects Fund has a deficit fund balance of (\$6,027,349). The majority of the capital projects are financed by short-term debt in the form of bond anticipation notes of \$3,930,000 as of December 31, 2021. There were projects with grant funding received in subsequent years.

General Fund Budgetary Highlights

The appropriations budget for general government support was decreased by \$52,226, public safety was increased by \$15,549, and transfer out – Highway Fund was increased by \$41,800 as compared to FY2020.

When the fiscal 2021 budget was adopted, it anticipated using \$250,000 of the unassigned fund balance of the General Fund. Actual results of operations resulted in an increase in fund balance of \$577,032 and an increase in unassigned fund balance of \$91,188 to a balance of \$759,335. Actual revenues for 2021 were \$365,409 more than the final budget and actual expenditures exclusive of Transfers Out for 2021 were \$73,639 less than the final budget. The overall final revenue budget at \$6,649,345 was unchanged from the original budget.

Some of the major variances were:

- Real Property Tax revenue was less than budgeted by \$139,550 due to an increase in uncollected taxes.
- Non-Property Tax revenue was \$192,604 more than budgeted mostly due to sales tax revenues.
- Employee Benefits expenditures were \$195,470 more than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2021, net of accumulated depreciation, was \$16,998,105, an increase of \$309,977. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction-in-progress.

Major capital asset activity during the current fiscal year included the following, net of accumulated depreciation:

Capital Assets December 31,

	2021	2020
Land	\$ 4,106,929	\$ 4,106,929
Construction-in-Progress	350,245	2,307,861
Buildings	957,474	993,781
Land Improvements	1,154,860	1,192,723
Machinery and Equipment	1,110,253	1,055,352
Infrastructure	9,318,344	7,031,482
Total	\$ 16,998,105	\$ 16,688,128

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$256,000, as compared to \$384,000 for FY2020. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

The Town did not elect to amortize the allowable ERS and PFRS contribution. The balance from prior years due at December 31, 2021 was \$171,789.

Known as the “constitutional debt limit”, and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2021, the Town five year average full valuation was \$2,026,306,331 thereby establishing a constitutional debt limit of \$141,841,443.

Economic Factors and Next Year’s Budgets and Rates

Revenues increased in FY2021 due to the economic growth following lockdowns during the COVID-19 pandemic. Mortgage tax revenue increased in FY2021 and the Town management recognizes the expectations for economic growth to stabilize for FY2022 but budget levels are conservatively set to operate at lower revenue levels in the near term due to economic uncertainty. The amount of long-term uncollected taxes remains at high levels and has the potential to affect cash flow for operations and fund balance reserves. Management has a plan in place to address outstanding tax accounts and is monitoring this trend for multi-year forecasting. Due to low interest rates at that time, borrowing has been utilized with short-term and long-term financing. The Town management also is aware that health insurance costs need to be monitored closely as uncertainty in the market conditions exist. All of these factors were taken into consideration in developing the FY2022 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Pound Ridge’s finances. Questions and comments concerning any of the information provided in this report should be addressed to Steven Conti, Director of Finance, Town of Pound Ridge, 179 Westchester Avenue, Pound Ridge, New York 10576.

Town of Pound Ridge, New York

Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,063,681
Receivables	
Taxes, net	460,140
Accounts	68,630
Due from other governments	513,145
Prepaid expenses	339,197
Capital assets	
Not being depreciated	4,457,174
Being depreciated, net	<u>12,540,931</u>
Total Assets	<u>22,442,898</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	2,135,488
OPEB related	<u>1,680,945</u>
Total Deferred Outflows of Resources	<u>3,816,433</u>
LIABILITIES	
Accounts payable	796,778
Deposits payable	432,163
Employee payroll deductions	100,394
Unearned revenues	201,585
Bond anticipation notes payable	3,930,000
Accrued interest payable	20,219
Non-current liabilities	
Due within one year	201,149
Due in more than one year	<u>14,591,488</u>
Total Liabilities	<u>20,273,776</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,158,540
OPEB related	<u>3,583,104</u>
Total Deferred Inflows of Resources	<u>5,741,644</u>
NET POSITION	
Net investment in capital assets	12,812,105
Restricted for	
Open space	3,910,512
Special Revenue Funds	
Trusts	215,333
Unrestricted	<u>(16,694,039)</u>
Total Net Position	<u>\$ 243,911</u>

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

Town of Pound Ridge, New York

Statement of Activities
Year Ended December 31, 2021

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	\$ 2,053,266	\$ 236,189	\$ 59,378	\$ -	\$ (1,757,699)
Public safety	1,978,155	5,961	44,852	-	(1,927,342)
Health	248,308	-	-	-	(248,308)
Transportation	2,605,099	10,417	287	-	(2,594,395)
Economic opportunity and development	5,893	-	-	-	(5,893)
Culture and recreation	977,487	448,921	4,022	16	(524,528)
Home and community services	189,318	28,837	-	14,029	(146,452)
Interest	47,464	-	-	-	(47,464)
Total Governmental Activities	\$ 8,104,990	\$ 730,325	\$ 108,539	\$ 14,045	(7,252,081)
General revenues					
Real property taxes					6,049,649
Other tax items					
Payment in lieu of taxes					5,000
Interest and penalties on real property taxes					223,151
Non-property taxes					
Non-property tax distribution from County					1,218,591
Cable TV franchise fees					154,013
Unrestricted use of money and property					1,829
Sale of property and compensation for loss					63,197
Unrestricted State aid					696,269
Miscellaneous					54,023
Total General Revenues					8,465,722
Change in Net Position					1,213,641
NET POSITION					
Net Position - Beginning					(969,730)
Net Position - Ending					\$ 243,911

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

Town of Pound Ridge, New York

Balance Sheet
 Governmental Funds
 December 31, 2021

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	\$ 3,524,806	\$ 69,349	\$ 137,768
Taxes receivable, net	460,140	-	-
Other receivables			
Accounts	68,630	-	-
Due from other governments	513,145	-	-
Due from other funds	2,005,185	352,738	-
	2,586,960	352,738	-
Prepaid expenditures	263,584	75,613	-
Total Assets	<u>\$ 6,835,490</u>	<u>\$ 497,700</u>	<u>\$ 137,768</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 120,295	\$ 672,728	\$ 3,755
Deposits payable	432,163	-	-
Employee payroll deductions	100,394	-	-
Due to other funds	204,750	-	2,231,362
Unearned revenue	201,585	-	-
Bond anticipation notes payable	-	-	3,930,000
Total Liabilities	1,059,187	672,728	6,165,117
Deferred inflows of resources			
Deferred tax revenues	442,872	-	-
Total Liabilities and Deferred Inflows of Resources	<u>1,502,059</u>	<u>672,728</u>	<u>6,165,117</u>
Fund balances (deficits)			
Nonspendable	263,584	75,613	-
Restricted	3,910,512	-	-
Assigned	400,000	-	-
Unassigned	759,335	(250,641)	(6,027,349)
Total Fund Balances (Deficits)	<u>5,333,431</u>	<u>(175,028)</u>	<u>(6,027,349)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 6,835,490</u>	<u>\$ 497,700</u>	<u>\$ 137,768</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 331,758	\$ 4,063,681
-	460,140
-	68,630
-	513,145
81,402	2,439,325
81,402	3,021,100
-	339,197
<u>\$ 413,160</u>	<u>\$ 7,884,118</u>
\$ -	\$ 796,778
-	432,163
-	100,394
3,213	2,439,325
-	201,585
-	3,930,000
3,213	7,900,245
-	442,872
3,213	8,343,117
-	339,197
215,333	4,125,845
194,614	594,614
-	(5,518,655)
409,947	(458,999)
<u>\$ 413,160</u>	<u>\$ 7,884,118</u>

Town of Pound Ridge, New York

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2021

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

Fund Balance (Deficit) - Total Governmental Funds	\$ (458,999)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	4,457,174
Capital assets - depreciable	40,945,498
Accumulated depreciation	<u>(28,404,567)</u>
	<u>16,998,105</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	2,135,488
Deferred outflows - OPEB related	1,680,945
Deferred inflows - pension related	(2,158,540)
Deferred inflows - OPEB related	<u>(3,583,104)</u>
	<u>(1,925,211)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>442,872</u>
Long-term liabilities and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(20,219)
Bonds payable	(256,000)
Net pension liability	(146,656)
Retirement incentives and other pension obligations	(171,789)
Total OPEB Liability	<u>(14,218,192)</u>
	<u>(14,812,856)</u>
Net Position of Governmental Activities	<u>\$ 243,911</u>

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2021

	General	Highway	Capital Projects
REVENUES			
Real property taxes	\$ 3,774,543	\$ 2,126,154	\$ -
Other tax items	228,151	-	-
Non-property taxes	1,372,604	-	-
Departmental income	498,231	10,417	-
Use of money and property	3,929	274	16
Licenses and permits	207,150	-	-
Fines and forfeitures	12,427	-	-
Sale of property and compensation for loss	63,197	-	-
State aid	699,324	-	-
Federal aid	92,263	-	14,029
Miscellaneous	62,935	-	-
Total Revenues	<u>7,014,754</u>	<u>2,136,845</u>	<u>14,045</u>
EXPENDITURES			
Current			
General government support	1,662,867	-	-
Public safety	1,516,725	-	-
Health	248,308	-	-
Transportation	142,797	1,407,024	-
Economic opportunity and development	5,893	-	-
Culture and recreation	755,901	-	-
Home and community services	163,664	-	-
Employee benefits	1,796,470	597,780	-
Debt service			
Principal	32,000	96,000	-
Interest	23,097	30,303	-
Capital outlay	-	-	1,130,344
Total Expenditures	<u>6,347,722</u>	<u>2,131,107</u>	<u>1,130,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>667,032</u>	<u>5,738</u>	<u>(1,116,299)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	275,000
Transfers out	(90,000)	(185,000)	-
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(185,000)</u>	<u>275,000</u>
Net Change in Fund Balances	577,032	(179,262)	(841,299)
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>4,756,399</u>	<u>4,234</u>	<u>(5,186,050)</u>
End of Year	<u>\$ 5,333,431</u>	<u>\$ (175,028)</u>	<u>\$ (6,027,349)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 44,780	\$ 5,945,477
-	228,151
-	1,372,604
-	508,648
35	4,254
-	207,150
-	12,427
-	63,197
-	699,324
-	106,292
4,000	66,935
48,815	9,214,459
-	1,662,867
-	1,516,725
-	248,308
27,010	1,576,831
-	5,893
400	756,301
-	163,664
-	2,394,250
-	128,000
-	53,400
-	1,130,344
27,410	9,636,583
21,405	(422,124)
-	275,000
-	(275,000)
-	-
21,405	(422,124)
388,542	(36,875)
\$ 409,947	\$ (458,999)

Town of Pound Ridge, 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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ (422,124)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	1,130,344
Depreciation expense	<u>(820,367)</u>
	<u>309,977</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>104,172</u>
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	
Principal paid on bonds	<u>128,000</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	5,936
Claims	91,828
Changes in pension liabilities and related deferred outflows and inflows of resources	190,751
Retirement incentives and other pension obligations	5,343
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>799,758</u>
	<u>1,093,616</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,213,641</u></u>

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,914,093	\$ 3,914,093	\$ 3,774,543	\$ (139,550)
Other tax items	185,000	185,000	228,151	43,151
Non-property taxes	1,180,000	1,180,000	1,372,604	192,604
Departmental income	420,200	420,200	498,231	78,031
Use of money and property	66,000	66,000	3,929	(62,071)
Interfund revenues	-	-	-	-
Licenses and permits	211,000	211,000	207,150	(3,850)
Fines and forfeitures	40,000	40,000	12,427	(27,573)
Sale of property and compensation for loss	17,800	17,800	63,197	45,397
State aid	569,252	569,252	699,324	130,072
Federal aid	-	-	92,263	92,263
Miscellaneous	46,000	46,000	62,935	16,935
Total Revenues	6,649,345	6,649,345	7,014,754	365,409
EXPENDITURES				
Current				
General government support	1,787,203	1,729,854	1,662,867	66,987
Public safety	1,611,441	1,626,990	1,516,725	110,265
Health	321,000	321,000	248,308	72,692
Transportation	172,540	172,540	142,797	29,743
Economic opportunity and development	6,650	6,650	5,893	757
Culture and recreation	737,927	737,927	755,901	(17,974)
Home and community services	169,100	169,100	163,664	5,436
Employee benefits	1,601,000	1,601,000	1,796,470	(195,470)
Debt service				
Principal	32,000	32,000	32,000	-
Interest	24,300	24,300	23,097	1,203
Total Expenditures	6,463,161	6,421,361	6,347,722	73,639
Excess of Revenues Over Expenditures	186,184	227,984	667,032	439,048
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	(436,184)	(477,984)	(90,000)	387,984
Total Other Financing Uses	(436,184)	(477,984)	(90,000)	387,984
Net Change in Fund Balances	(250,000)	(250,000)	577,032	827,032
FUND BALANCES				
Beginning of Year	250,000	250,000	4,756,399	4,506,399
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,333,431</u>	<u>\$ 5,333,431</u>

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

Highway Fund

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,126,154	\$ 2,126,154	\$ 2,126,154	\$ -
-	-	-	-
-	-	-	-
11,000	11,000	10,417	(583)
200	200	274	74
30,000	30,000	-	(30,000)
-	-	-	-
-	-	-	-
30,000	30,000	-	(30,000)
180,000	180,000	-	(180,000)
-	-	-	-
-	-	-	-
<u>2,377,354</u>	<u>2,377,354</u>	<u>2,136,845</u>	<u>(240,509)</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,628,054	1,669,854	1,407,024	262,830
-	-	-	-
-	-	-	-
-	-	-	-
549,000	549,000	597,780	(48,780)
96,000	96,000	96,000	-
39,300	39,300	30,303	8,997
<u>2,312,354</u>	<u>2,354,154</u>	<u>2,131,107</u>	<u>223,047</u>
<u>65,000</u>	<u>23,200</u>	<u>5,738</u>	<u>(17,462)</u>
-	41,800	-	(41,800)
<u>(165,000)</u>	<u>(165,000)</u>	<u>(185,000)</u>	<u>(20,000)</u>
<u>(165,000)</u>	<u>(123,200)</u>	<u>(185,000)</u>	<u>(61,800)</u>
<u>(100,000)</u>	<u>(100,000)</u>	<u>(179,262)</u>	<u>(79,262)</u>
<u>100,000</u>	<u>100,000</u>	<u>4,234</u>	<u>(95,766)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,028)</u>	<u>\$ (175,028)</u>

Town of Pound Ridge, New York

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 5,335,142
Accounts receivable	<u>14,415,239</u>
 Total Assets	 <u>\$ 19,750,381</u>
 LIABILITIES	
Due to other governments	 <u>\$ 19,750,381</u>

DRAFT

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

Town of Pound Ridge, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2021

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 32,456,902
DEDUCTIONS	
Payments of real property taxes to other governments	<u>32,456,902</u>
Net change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

DRAFT

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

Note 1 - Summary of Significant Accounting Policies

The Town of Pound Ridge, 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 both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete as set forth in 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 in 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. Governmental activities, which are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. 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 segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

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

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

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 revenue of this fund is real property taxes.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Special Revenue Funds:

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

Public Parking District Fund - The Public Parking District Fund is provided to account for the operation and maintenance of the Town's parking district.

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

D. Measurement Focus, Basis of Accounting and Financial Presentation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Equivalents, Investments and Risk Disclosure

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

The Town's deposits 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.

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

Risk Disclosure

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2021.

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 and are levied on January 1st. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. The Town guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation regardless of the amounts collected. County and school district taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures 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, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventory 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 items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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 at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

Land is 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>
Buildings and land improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

The Town has reported deferred inflows of resources of \$442,872 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities 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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The Town does not compensate employees for unused vacation or sick leave upon separation from service.

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 – An Amendment of GASB Statement No. 68".

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for open space and special revenue funds.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Revenue 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 , 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.
- i) Budgets for General, Highway and the Public Parking District funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- 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 General, Highway and the Public Parking District funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- l) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.

- m) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.

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

B. Property Tax Limitation

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of 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 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 Department of Labor 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. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$6,027,349 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 payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

D. Expenditures in Excess of Budget

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund:

General Government Support	
Town Board	\$ 5,193
Engineering	11,519
Buildings	16,483
Data processing	18,251
Unallocated insurance	11,784
Judgments and claims	19,633
Public Safety	
Administration	9,864
Communication system	1,546
Traffic control	3,242
Animal control	3,688
Health	
Ambulance	4,675
Transportation	
Highway administration	277
Culture and Recreation	
Parks	15,574
Community Center	4,067
Pool	6,455
Historian	1,025
Adult recreation	2,925
Home and Community Services	
Waste water	14,444
Shade trees	4,790
Conservation advisory	7,438
Employee Benefits	
State retirement	24,166
Police and fire retirement	16,663
Social security	3,948
Unemployment benefits	10,595
Hospital, medical, and dental benefits	152,947
Debt Service	
Interest – Bond anticipation notes	323

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2021 consisted of the following:

Town taxes - Current	\$ 142,352
Tax liens and overdue taxes	<u>518,781</u>
	661,133
Less - Allowance for Uncollected Taxes	<u>(200,993)</u>
	<u>\$ 460,140</u>

Taxes receivable in the fund financial statements are also offset by deferred tax revenues of \$442,872, 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, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,005,185	\$ 204,750
Highway	352,738	-
Capital Projects	-	2,231,362
Non-Major	<u>81,402</u>	<u>3,213</u>
	<u>\$ 2,439,325</u>	<u>\$ 2,439,325</u>

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

C. Capital Assets

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

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Capital Assets, not being depreciated:				
Land	\$ 4,106,929	\$ -	\$ -	\$ 4,106,929
Construction-in-progress	<u>2,307,861</u>	<u>106,317</u>	<u>2,063,933</u>	<u>350,245</u>
Total Capital Assets, not being depreciated	<u>\$ 6,414,790</u>	<u>\$ 106,317</u>	<u>\$ 2,063,933</u>	<u>\$ 4,457,174</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets, being depreciated:				
Buildings	\$ 2,556,435	\$ -	\$ -	\$ 2,556,435
Land improvements	2,676,870	-	-	2,676,870
Machinery and equipment	4,438,789	285,466	-	4,724,255
Infrastructure	28,185,444	2,802,494	-	30,987,938
Total Capital Assets, being depreciated	37,857,538	3,087,960	-	40,945,498
Less Accumulated Depreciation for:				
Buildings	1,562,654	36,307	-	1,598,961
Land improvements	1,484,147	37,863	-	1,522,010
Machinery and equipment	3,383,437	230,565	-	3,614,002
Infrastructure	21,153,962	515,632	-	21,669,594
Total Accumulated Depreciation	27,584,200	820,367	-	28,404,567
Total Capital Assets, being depreciated, net	\$ 10,273,338	\$ 2,267,593	\$ -	\$ 12,540,931
Capital Assets, net	\$ 16,688,128	\$ 2,373,910	\$ 2,063,933	\$ 16,998,105

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

General Government Support	\$ 41,018
Public Safety	24,611
Transportation	697,312
Culture and Recreation	57,426
Total Depreciation Expense	\$ 820,367

D. Short-Term Capital Borrowings - Bond Anticipation Notes

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

	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2021	Amount Issued	Redemptions	Balance December 31, 2021
Capital Projects Fund							
Various purposes	6/18	6/10/2022	1.26 %	\$ 1,455,000	\$ -	\$ 200,000	\$ 1,255,000
Various purposes	6/19	6/10/2022	1.26	300,000	-	75,000	225,000
Various purposes	6/20	6/10/2022	1.26	2,450,000	-	-	2,450,000
				\$ 4,205,000	\$ -	\$ 275,000	\$ 3,930,000

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

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$20,323 and \$20,324 were recorded in the fund financial statements in the General and Highway funds, respectively. Interest expense of \$36,467 was recorded in the government-wide financial statements.

E. Health Claim Liabilities

The government-wide financial statements reflect the liability for health benefit claims. 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 various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers and past experience.

An analysis of the activity of unpaid health benefit claim liabilities in the government-wide financial statements is as follows:

	<u>2021</u>	<u>2020</u>
Balance - Beginning of Year	\$ 91,828	\$ 125,844
Provision for Claims and Claims Adjustment Expenses	406,206	406,756
Claims and Claims Adjustment Expenses Paid	<u>(498,034)</u>	<u>(440,772)</u>
Balance - End of Year	<u>\$ -0-</u>	<u>\$ 91,828</u>

For the year ended December 31, 2021, the liability for claims payable was offset by amounts on deposit with the plan.

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2021:

	<u>Balance January 1, 2021</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2021</u>	<u>Due Within One Year</u>
General Obligation					
Bonds Payable	\$ 384,000	\$ -	\$ 128,000	\$ 256,000	\$ 128,000
Net Pension Liability	2,093,150	-	1,946,494	146,656	-
Retirement Incentives and Other Pension Obligations	177,132	-	5,343	171,789	73,149
Other Post Employment Benefit Liability	<u>17,278,007</u>	<u>(2,727,552)</u>	<u>332,263</u>	<u>14,218,192</u>	<u>-</u>
	<u>\$ 19,932,289</u>	<u>\$ (2,727,552)</u>	<u>\$ 2,412,100</u>	<u>\$ 14,792,637</u>	<u>\$ 201,149</u>

Each governmental fund's liability for general obligation bonds payable, net pension liability, retirement incentives and other pension liabilities and other postemployment benefit liability payable are liquidated by the General and Highway funds.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2021 is comprised of the following individual issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2021</u>
Various	2018	\$ 640,000	June, 2023	3.35 %	<u>\$ 256,000</u>

Interest expenditures of \$2,774 and \$9,979 were recorded in the fund financial statements in the General and Highway Funds, respectively. Interest expense of \$10,997 was recorded in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer’s effective contribution rate as compared to the System’s overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town elected to amortize the maximum allowable ERS and PFRS contributions as noted in the table below.

<u>Year</u>	<u>Original Amount Amortized</u>	<u>Current Year Payments</u>	<u>Balance Due</u>	<u>Due Within One Year</u>
2012	\$ 96,110	\$ 417	\$ -	\$ -
2013	162,169	17,920	18,458	18,458
2014	251,158	27,337	57,722	28,341
2015	126,344	13,183	42,095	13,599
2016	122,110	12,355	53,514	12,751
	<u>\$ 757,891</u>	<u>\$ 71,212</u>	<u>\$ 171,789</u>	<u>\$ 73,149</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded and retirement incentives and other pension obligations debt outstanding as of December 31, 2021, including interest payments of \$23,656 are as follows:

Year Ended December 31,	General Obligation Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 128,000	\$ 8,576	\$ 73,149	\$ 5,715	\$ 201,149	\$ 14,291
2023	128,000	4,288	56,568	3,285	184,568	7,573
2024	-	-	28,053	1,342	28,053	1,342
2025	-	-	14,019	450	14,019	450
	<u>\$ 256,000</u>	<u>\$ 12,864</u>	<u>\$ 171,789</u>	<u>\$ 10,792</u>	<u>\$ 427,789</u>	<u>\$ 23,656</u>

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

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2021, that amount was \$141,841,443. As of December 31, 2021, the total outstanding debt applicable to the limit was \$4,186,000, which is 3.0% of the total debt limit.

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.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
 December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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 ended March 31, 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	18.0 %
	6 A15	10.5
PFRS	2 375I	20.4
	2 384D	30.4
	6 384D	19.8

At December 31, 2021, 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, 2021	March 31, 2021
Net pension liability	\$ 5,728	\$ 140,928
Town's proportion of the net pension liability	0.0057523%	0.0081167%
Change in proportion since the prior measurement date	(0.000339)%	(0.000868)%

The net pension liability was measured as of March 31, 2021 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, 2021, the Town recognized its proportionate share of pension expense in the government-wide financial statements of 274,395 for ERS and \$116,350 for PFRS. Pension expenditures of \$439,833 for ERS and \$141,663 for PFRS, inclusive of payments for retirement incentives and other pension obligations were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 294,166	\$ 141,663
Highway Fund	145,667	-
	<u>\$ 439,833</u>	<u>\$ 141,663</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2021, the Town reported its proportionate share of deferred outflows and inflows of resources related to pensions from the following sources:

	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	\$ 69,952	\$ -	\$ 31,271	\$ 414,391	\$ 101,223	\$ 414,391
Net difference between projected and actual earnings on pension plan investments	-	1,645,360	-	-	-	1,645,360
Changes of assumptions	1,053,157	19,863	346,245	-	1,399,402	19,863
Changes in proportion and differences between Town contributions and proportionate share of contributions	178,872	54,821	81,284	24,105	260,156	78,926
Town contributions subsequent to the measurement date	275,699	-	99,008	-	374,707	-
	<u>\$ 1,577,680</u>	<u>\$ 1,720,044</u>	<u>\$ 557,808</u>	<u>\$ 438,496</u>	<u>\$ 2,135,488</u>	<u>\$ 2,158,540</u>

The \$275,699 and \$99,008 reported as deferred outflows of resources related to ERS and PFRS, respectively, result from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2022. 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
2022	\$ (42,942)	\$ 3,612
2023	5,673	14,230
2024	(70,363)	(1,673)
2025	(310,431)	(67,497)
2026	-	71,632
	<u>\$ (418,063)</u>	<u>\$ 20,304</u>

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

	ERS	PFRS
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Investment rate of return	5.9%	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

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

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

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

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	1.95
Opportunistic / ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	<u>100 %</u>	

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

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the ERS net pension liability (Asset)	\$ 1,589,814	\$ 5,728	\$ (1,455,170)
Town's proportionate share of the PFRS net pension liability (Asset)	\$ 599,306	\$ 140,928	\$ (238,490)

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 220,680,157,000	\$ 41,236,775,000	\$ 261,916,932,000
ERS fiduciary net position	220,580,583,000	39,500,500,000	260,081,083,000
Employers' net pension liability	\$ 99,574,000	\$ 1,736,275,000	\$ 1,835,849,000
ERS fiduciary net position as a percentage of total pension liability	99.95%	95.79%	99.30%

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, 2021 represent the employer contribution for the period of April 1, 2021 through December 31, 2021 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, 2021 were \$275,699 and \$99,008, respectively.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 with earnings 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 ("OPEB")

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	50
Active employees	<u>28</u>
	<u><u>78</u></u>

The Town's total OPEB liability of \$14,218,192 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.00%
Discount rate	1.84%
Healthcare cost trend rates	4.5% for 2022, decreasing by up to .10% per year to an ultimate rate of 4.20% for 2066 and decreasing to 3.784% for 2075 and later years
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 Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy annuitants and then adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2021 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2015 to March 31, 2020 experience study released by the Retirement Systems Actuary and published in their August 2020 report.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended December 31, 2021, the Town recognized OPEB expense of (\$467,495) in the government-wide financial statements. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 1,680,945	\$ -
Differences between expected and actual experience	<u>-</u>	<u>3,583,104</u>
	<u>\$ 1,680,945</u>	<u>\$ 3,583,104</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>	
2022	\$ (490,334)
2023	(457,874)
2024	(623,933)
2025	<u>(330,018)</u>
	<u>\$ (1,902,159)</u>

G. Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In Capital Projects Fund</u>
General Fund	\$ 90,000
Highway Fund	<u>185,000</u>
	<u>\$ 275,000</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

H. Net Position

The components of net position are detailed below:

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

Restricted for Open Space - the component of net position that is established pursuant to New York State law. These amounts represents funds received from the real property taxes and may be used only for the acquisition of land with the Town.

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.

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

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Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2021					2020				
	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Prepaid expenditures	\$ 263,584	\$ 75,613	\$ -	\$ -	\$ 339,197	\$ 283,906	\$ 85,899	\$ -	\$ -	\$ 369,805
Restricted										
Open Space	3,910,512	-	-	-	3,910,512	3,534,346	-	-	-	3,534,346
Trusts	-	-	-	215,333	215,333	-	-	-	211,711	211,711
Total Restricted	3,910,512	-	-	215,333	4,125,845	3,534,346	-	-	211,711	3,746,057
Assigned										
Subsequent years' expenditures	400,000	100,000	-	85,000	585,000	250,000	100,000	-	15,000	365,000
Non Major Funds										
Parking District	-	-	-	109,614	109,614	-	-	-	161,831	161,831
Deficit	-	(100,000)	-	-	(100,000)	-	(100,000)	-	-	(100,000)
Total Assigned	400,000	-	-	194,614	594,614	250,000	-	-	176,831	426,831
Unassigned	759,335	(250,641)	(6,027,349)	-	(5,518,655)	688,147	(81,665)	(5,186,050)	-	(4,579,568)
Total Fund Balances	\$ 5,333,431	\$ (175,028)	\$ (6,027,349)	\$ 409,947	\$ (458,999)	\$ 4,756,399	\$ 4,234	\$ (5,186,050)	\$ 388,542	\$ (36,875)

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2021

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 costs paid 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.

Subsequent years' expenditures represent that at December 31, 2021, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget. The amount assigned for subsequent year's expenditures in the Highway Fund of \$100,000 has been limited to \$-0- as it exceeded the fund balance available.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

There are also 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 upon the outcome of the litigation proceedings. However, the amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability coverage up to \$3 million, public officials' liability and police professional liability policies each provide coverage up to \$2 million. The Town also maintains an umbrella policy which provides coverage up to \$30 million. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town purchases conventional health insurance from various providers.

C. Contingencies

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

Town of Pound Ridge, New York

Notes to Financial Statements (Concluded)
December 31, 2021

Note 5 - Subsequent Events

The Town in June 2022 issued a new \$3,955,000 bond anticipation with interest at 2.70% due in June 2023 to renew in part, the \$3,930,000 bond anticipation renewal note maturing in June 2022, and to issue new moneys in the amount of \$500,000 for various capital projects. In June 2023 the Town issued a \$3,580,000 bond anticipation renewal note with interest at 6.34% due in June 2024.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. This objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

Town of Pound Ridge, New York

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

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 264,753	\$ 296,417	\$ 298,180	\$ 354,833
Interest	271,197	433,810	618,176	563,107
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,292,128)	-	(3,385,948)	-
Changes of assumptions or other inputs *	28,626	1,270,598	3,182,143	(2,138,598)
Benefit payments	(332,263)	(402,604)	(343,981)	(251,212)
Net Change in Total OPEB Liability	(3,059,815)	1,598,221	368,570	(1,471,870)
Total OPEB Liability – Beginning of Year	17,278,007	15,679,786	15,311,216	16,783,086 (3)
Total OPEB Liability – End of Year	<u>\$ 14,218,192</u>	<u>\$ 17,278,007</u>	<u>\$ 15,679,786</u>	<u>\$ 15,311,216</u>
Town's covered-employee payroll	<u>\$ 2,348,564</u>	<u>\$ 2,579,299</u>	<u>\$ 2,386,561</u>	<u>\$ 2,357,729</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>605.40%</u>	<u>669.87%</u>	<u>657.00%</u>	<u>649.41%</u>
* Discount Rate	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>

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

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

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

Town of Pound Ridge, 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)

	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0057523%	0.0060910%	0.0066074%	0.0065297%	0.0069891%	0.0075174%	0.0073580%
Town's proportionate share of the net pension liability	\$ 5,728	\$ 1,612,933	\$ 468,153	\$ 210,744	\$ 656,713	\$ 1,206,571	\$ 248,573
Town's covered payroll	\$ 2,524,901	\$ 2,197,665	\$ 2,381,729	\$ 2,424,695	\$ 2,403,073	\$ 2,325,621	\$ 2,343,071
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.23%	73.39%	19.66%	8.69%	27.33%	51.88%	10.61%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 457,713	\$ 386,273	\$ 414,495	\$ 438,751	\$ 431,463	\$ 478,300	\$ 420,382
Contributions in relation to the contractually required contribution	(457,713)	(386,273)	(414,495)	(438,751)	(431,463)	(478,300)	(420,382)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,629,751	\$ 2,443,776	\$ 2,294,107	\$ 2,466,402	\$ 2,367,251	\$ 2,429,484	\$ 2,460,218
Contributions as a percentage of covered payroll	17.41%	15.81%	18.07%	17.79%	18.23%	19.69%	17.09%

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

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

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

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

See independent auditors' report.

Town of Pound Ridge, 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)

	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	<u>0.0081167%</u>	<u>0.0089845%</u>	<u>0.0095725%</u>	<u>0.0096490%</u>	<u>0.0104459%</u>	<u>0.0116927%</u>	<u>0.0110130%</u>
Town's proportionate share of the net pension liability	<u>\$ 140,928</u>	<u>\$ 480,217</u>	<u>\$ 160,538</u>	<u>\$ 97,528</u>	<u>\$ 215,607</u>	<u>\$ 346,196</u>	<u>\$ 30,314</u>
Town's covered payroll	<u>\$ 488,022</u>	<u>\$ 457,041</u>	<u>\$ 452,006</u>	<u>\$ 556,691</u>	<u>\$ 481,941</u>	<u>\$ 481,713</u>	<u>\$ 532,449</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>28.88%</u>	<u>105.07%</u>	<u>35.52%</u>	<u>17.52%</u>	<u>44.74%</u>	<u>71.87%</u>	<u>5.69%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.79%</u>	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>
Discount Rate	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 147,451</u>	<u>\$ 124,298</u>	<u>\$ 116,893</u>	<u>\$ 132,100</u>	<u>\$ 124,211</u>	<u>\$ 132,124</u>	<u>\$ 125,950</u>
Contributions in relation to the contractually required contribution	<u>(147,451)</u>	<u>(124,298)</u>	<u>(116,893)</u>	<u>(132,100)</u>	<u>(124,211)</u>	<u>(132,124)</u>	<u>(125,950)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 408,987</u>	<u>\$ 490,755</u>	<u>\$ 569,483</u>	<u>\$ 509,111</u>	<u>\$ 461,746</u>	<u>\$ 504,431</u>	<u>\$ 530,286</u>
Contributions as a percentage of covered payroll	<u>36.05%</u>	<u>25.33%</u>	<u>20.53%</u>	<u>25.95%</u>	<u>26.90%</u>	<u>26.19%</u>	<u>23.75%</u>

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

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

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

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

See independent auditors' report.

Town of Pound Ridge, New York

General Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 3,524,806	\$ 4,039,716
Taxes receivable		
Town taxes	661,133	546,331
Allowance for uncollectible amounts	(200,993)	(165,633)
	460,140	380,698
Receivables		
Accounts	68,630	33,431
State and Federal aid	-	93,148
Due from other governments	513,145	493,371
Due from other funds	2,005,185	818,080
	2,586,960	1,438,030
Prepaid expenditures	263,584	283,906
Total Assets	<u>\$ 6,835,490</u>	<u>\$ 6,142,350</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 120,295	\$ 359,355
Deposits payable	432,163	438,477
Employee payroll deductions	100,394	173,630
Due to other funds	204,750	43,910
Overpayments	-	31,879
Unearned revenue	201,585	-
Total Liabilities	1,059,187	1,047,251
Deferred inflows of resources		
Deferred tax revenues	442,872	338,700
Total Liabilities and Deferred Inflows of Resources	1,502,059	1,385,951
Fund balance		
Nonspendable	263,584	283,906
Restricted	3,910,512	3,534,346
Assigned	400,000	250,000
Unassigned	759,335	688,147
Total Fund Balance	5,333,431	4,756,399
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 6,835,490</u>	<u>\$ 6,142,350</u>

See independent auditors' report.

Town of Pound Ridge, New York

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

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,914,093	\$ 3,914,093	\$ 3,774,543	\$ (139,550)
Other tax items	185,000	185,000	228,151	43,151
Non-property taxes	1,180,000	1,180,000	1,372,604	192,604
Departmental income	420,200	420,200	498,231	78,031
Use of money and property	66,000	66,000	3,929	(62,071)
Licenses and permits	211,000	211,000	207,150	(3,850)
Fines and forfeitures	40,000	40,000	12,427	(27,573)
Sale of property and compensation for loss	17,800	17,800	63,197	45,397
State aid	569,252	569,252	699,324	130,072
Federal aid	-	-	92,263	92,263
Miscellaneous	46,000	46,000	62,935	16,935
Total Revenues	6,649,345	6,649,345	7,014,754	365,409
EXPENDITURES				
Current				
General government support	1,787,203	1,729,854	1,662,867	66,987
Public safety	1,611,441	1,626,990	1,516,725	110,265
Health	321,000	321,000	248,308	72,692
Transportation	172,540	172,540	142,797	29,743
Economic opportunity and development	6,650	6,650	5,893	757
Culture and recreation	737,927	737,927	755,901	(17,974)
Home and community services	169,100	169,100	163,664	5,436
Employee benefits	1,601,000	1,601,000	1,796,470	(195,470)
Debt service				
Principal	32,000	32,000	32,000	-
Interest	24,300	24,300	23,097	1,203
Total Expenditures	6,463,161	6,421,361	6,347,722	73,639
Excess of Revenues Over Expenditures	186,184	227,984	667,032	439,048
OTHER FINANCING USES				
Transfers out	(436,184)	(477,984)	(90,000)	387,984
Net Change in Fund Balance	(250,000)	(250,000)	577,032	827,032
FUND BALANCE				
Beginning of Year	250,000	250,000	4,756,399	4,506,399
End of Year	\$ -	\$ -	\$ 5,333,431	\$ 5,333,431

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,840,151	\$ 3,840,151	\$ 3,708,566	\$ (131,585)
205,000	205,000	162,541	(42,459)
1,180,000	1,180,000	1,225,803	45,803
420,200	420,200	281,348	(138,852)
106,000	106,000	97,480	(8,520)
211,000	211,000	150,861	(60,139)
58,000	58,000	12,130	(45,870)
17,800	17,800	5,300	(12,500)
569,252	569,252	543,257	(25,995)
-	-	130,148	130,148
46,000	46,000	38,441	(7,559)
<u>6,653,403</u>	<u>6,653,403</u>	<u>6,355,875</u>	<u>(297,528)</u>
1,839,429	1,839,429	1,581,206	258,223
1,518,927	1,518,927	1,411,258	107,669
318,097	318,097	332,187	(14,090)
174,423	174,423	132,706	41,717
6,650	6,650	6,065	585
686,981	686,981	562,060	124,921
229,798	229,798	190,956	38,842
1,595,000	1,595,000	1,707,310	(112,310)
32,000	32,000	32,000	-
15,700	15,700	15,588	112
<u>6,417,005</u>	<u>6,417,005</u>	<u>5,971,336</u>	<u>445,669</u>
236,398	236,398	384,539	148,141
<u>(436,398)</u>	<u>(436,398)</u>	<u>(60,000)</u>	<u>376,398</u>
(200,000)	(200,000)	324,539	524,539
<u>200,000</u>	<u>200,000</u>	<u>4,431,860</u>	<u>4,231,860</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,756,399</u>	<u>\$ 4,756,399</u>

Town of Pound Ridge, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended December 31, 2021
 (With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
REAL PROPERTY TAXES	\$ 3,914,093	\$ 3,914,093	\$ 3,774,543	\$ (139,550)	\$ 3,708,566
OTHER TAX ITEMS					
Payment in lieu of taxes	5,000	5,000	5,000	-	5,000
Interest and penalties on real property taxes	180,000	180,000	223,151	43,151	157,541
	<u>185,000</u>	<u>185,000</u>	<u>228,151</u>	<u>43,151</u>	<u>162,541</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,030,000	1,030,000	1,218,591	188,591	1,058,006
Cable TV franchise fees	150,000	150,000	154,013	4,013	167,797
	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,372,604</u>	<u>192,604</u>	<u>1,225,803</u>
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	14,512	7,512	2,171
Safety inspection fees	20,000	20,000	5,961	(14,039)	7,972
Parks and recreation charges	242,200	242,200	263,538	21,338	170,018
Pool fees	115,000	115,000	185,383	70,383	86,577
Zoning fees	1,000	1,000	1,084	84	240
Planning board fees	6,000	6,000	10,860	4,860	2,400
Refuse and garbage charges	29,000	29,000	16,893	(12,107)	11,970
	<u>420,200</u>	<u>420,200</u>	<u>498,231</u>	<u>78,031</u>	<u>281,348</u>
USE OF MONEY AND PROPERTY					
Interest earnings	40,000	40,000	1,829	(38,171)	96,680
Rental of real property	26,000	26,000	2,100	(23,900)	800
	<u>66,000</u>	<u>66,000</u>	<u>3,929</u>	<u>(62,071)</u>	<u>97,480</u>

LICENSES AND PERMITS

Business and occupational licenses	6,000	6,000	5,750	(250)	600
Dog and other licenses	5,000	5,000	3,640	(1,360)	2,120
Permits	200,000	200,000	197,760	(2,240)	148,141
	<u>211,000</u>	<u>211,000</u>	<u>207,150</u>	<u>(3,850)</u>	<u>150,861</u>

FINES AND FORFEITURES

Fines and forfeited bail	40,000	40,000	12,427	(27,573)	12,130
	<u>40,000</u>	<u>40,000</u>	<u>12,427</u>	<u>(27,573)</u>	<u>12,130</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Insurance recoveries	-	-	30,401	30,401	-
Sale of refuse for recycling	800	800	-	(800)	-
Miscellaneous	17,000	17,000	32,796	15,796	5,300
	<u>17,800</u>	<u>17,800</u>	<u>63,197</u>	<u>45,397</u>	<u>5,300</u>

STATE AID

Per Capita	19,252	19,252	-	(19,252)	-
Mortgage tax	340,000	340,000	696,269	356,269	539,531
Other	210,000	210,000	3,055	(206,945)	3,726
	<u>569,252</u>	<u>569,252</u>	<u>699,324</u>	<u>130,072</u>	<u>543,257</u>

FEDERAL AID

Public Safety	-	-	92,263	92,263	130,148
	<u>-</u>	<u>-</u>	<u>92,263</u>	<u>92,263</u>	<u>130,148</u>

MISCELLANEOUS

Refund of prior year's expenditures	10,000	10,000	33,510	23,510	5,780
Gifts and donations	20,000	20,000	8,912	(11,088)	4,700
Medicare part D reimbursement	16,000	16,000	261	(15,739)	6,467
AIM related payments	-	-	19,252	19,252	19,252
Unclassified	-	-	1,000	1,000	2,242
	<u>46,000</u>	<u>46,000</u>	<u>62,935</u>	<u>16,935</u>	<u>38,441</u>

TOTAL REVENUES

	<u>\$ 6,649,345</u>	<u>\$ 6,649,345</u>	<u>\$ 7,014,754</u>	<u>\$ 365,409</u>	<u>\$ 6,355,875</u>
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See independent auditors' report.

Town of Pound Ridge, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2021
 (With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 56,400	\$ 56,400	\$ 44,426	\$ 11,974	\$ 50,001
Town Justice	167,778	167,778	172,971	(5,193)	161,095
Supervisor	135,050	135,050	132,743	2,307	124,950
Finance	164,220	184,220	183,733	487	144,468
Audit	39,500	39,500	-	39,500	36,860
Tax collection	88,020	88,020	84,361	3,659	80,621
Assessor	124,256	124,256	112,372	11,884	111,104
Town Clerk	126,113	126,113	116,244	9,869	108,638
Town Attorney	96,880	96,880	92,381	4,499	94,061
Engineering	-	-	11,519	(11,519)	-
Elections	8,000	8,000	7,737	263	7,570
Buildings	420,261	420,261	436,744	(16,483)	460,498
Central printing and mailing	20,000	20,000	10,847	9,153	12,470
Data processing	96,500	96,500	114,751	(18,251)	89,445
Unallocated insurance	88,000	88,000	99,784	(11,784)	87,562
Municipal association dues	2,225	2,225	2,225	-	2,225
Metropolitan commuter transportation mobility tax	14,000	14,000	10,396	3,604	9,638
Judgments and claims	10,000	10,000	29,633	(19,633)	-
Contingency	130,000	52,651	-	52,651	-
	<u>1,787,203</u>	<u>1,729,854</u>	<u>1,662,867</u>	<u>66,987</u>	<u>1,581,206</u>
PUBLIC SAFETY					
Administration	13,900	13,900	23,764	(9,864)	22,726
Police	1,259,000	1,274,549	1,183,873	90,676	1,073,595
Communication system	81,000	81,000	82,546	(1,546)	69,727
Traffic control	4,000	4,000	7,242	(3,242)	2,145
Animal control	4,000	4,000	7,688	(3,688)	5,420
Safety inspection	249,541	249,541	211,612	37,929	237,645
	<u>1,611,441</u>	<u>1,626,990</u>	<u>1,516,725</u>	<u>110,265</u>	<u>1,411,258</u>

HEALTH

Addiction control	183,000	183,000	105,633	77,367	197,091
Ambulance	138,000	138,000	142,675	(4,675)	135,096
	<u>321,000</u>	<u>321,000</u>	<u>248,308</u>	<u>72,692</u>	<u>332,187</u>

TRANSPORTATION

Highway administration	114,540	114,540	114,817	(277)	107,535
Garage	50,000	50,000	26,600	23,400	19,906
Street lighting	8,000	8,000	1,380	6,620	5,265
	<u>172,540</u>	<u>172,540</u>	<u>142,797</u>	<u>29,743</u>	<u>132,706</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	<u>6,650</u>	<u>6,650</u>	<u>5,893</u>	<u>757</u>	<u>6,065</u>
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CULTURE AND RECREATION

Recreation administration	165,400	165,400	162,821	2,579	143,855
Parks	283,132	283,132	298,706	(15,574)	218,525
Community Center	10,000	10,000	14,067	(4,067)	-
Pool	207,380	207,380	213,835	(6,455)	155,903
Band concerts	10,000	10,000	6,510	3,490	4,180
Museum	2,400	2,400	1,743	657	1,542
Historian	4,400	4,400	5,425	(1,025)	4,300
Celebrations	18,000	18,000	12,654	5,346	7,902
Adult recreation	37,215	37,215	40,140	(2,925)	25,853
	<u>737,927</u>	<u>737,927</u>	<u>755,901</u>	<u>(17,974)</u>	<u>562,060</u>

HOME AND COMMUNITY SERVICES

Zoning and appeals	9,900	9,900	6,950	2,950	7,033
Planning Board	57,400	57,400	40,352	17,048	100,308
Environmental Protection	10,000	10,000	7,785	2,215	7,287
Waste water	-	-	-	-	1,266
Recycling	30,000	30,000	25,105	4,895	32,592
Water control	16,400	16,400	30,844	(14,444)	19,600
Shade trees	20,000	20,000	24,790	(4,790)	-
Conservation advisory	17,400	17,400	24,838	(7,438)	19,870
Cemeteries	8,000	8,000	3,000	5,000	3,000
	<u>169,100</u>	<u>169,100</u>	<u>163,664</u>	<u>5,436</u>	<u>190,956</u>

(Continued)

Town of Pound Ridge, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended December 31, 2021
 (With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 270,000	\$ 270,000	\$ 294,166	\$ (24,166)	\$ 275,330
Police and fire retirement	125,000	125,000	141,663	(16,663)	122,447
Social security	230,000	230,000	233,948	(3,948)	216,456
Workers' compensation benefits	80,000	80,000	67,151	12,849	63,673
Unemployment benefits	1,000	1,000	11,595	(10,595)	12,438
Hospital, medical and dental benefits	895,000	895,000	1,047,947	(152,947)	1,016,966
	<u>1,601,000</u>	<u>1,601,000</u>	<u>1,796,470</u>	<u>(195,470)</u>	<u>1,707,310</u>
DEBT SERVICE					
Principal					
Serial bonds	32,000	32,000	32,000	-	32,000
Interest					
Serial bonds	4,300	4,300	2,774	1,526	4,273
Bond anticipation notes	20,000	20,000	20,323	(323)	11,315
	<u>24,300</u>	<u>24,300</u>	<u>23,097</u>	<u>1,203</u>	<u>15,588</u>
	<u>56,300</u>	<u>56,300</u>	<u>55,097</u>	<u>1,203</u>	<u>47,588</u>
OTHER FINANCING USES					
Transfers out					
Highway Fund	-	41,800	-		-
Capital Projects Fund	436,184	436,184	90,000	346,184	60,000
	<u>436,184</u>	<u>477,984</u>	<u>90,000</u>	<u>346,184</u>	<u>60,000</u>
TOTAL FINANCING USES	<u>436,184</u>	<u>477,984</u>	<u>90,000</u>	<u>346,184</u>	<u>60,000</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,899,345</u>	<u>\$ 6,899,345</u>	<u>\$ 6,437,722</u>	<u>\$ 419,823</u>	<u>\$ 6,031,336</u>

See independent auditors' report.

Town of Pound Ridge, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 69,349	\$ 35,645
Due from other funds	352,738	34,771
Prepaid expenditures	<u>75,613</u>	<u>85,899</u>
Total Assets	<u>\$ 497,700</u>	<u>\$ 156,315</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	<u>\$ 672,728</u>	<u>\$ 152,081</u>
Fund Balance (Deficit)		
Nonspendable	75,613	85,899
Unassigned	<u>(250,641)</u>	<u>(81,665)</u>
Total Fund Balance (Deficit)	<u>(175,028)</u>	<u>4,234</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 497,700</u>	<u>\$ 156,315</u>

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See independent auditors' report.

Town of Pound Ridge, New York

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

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 2,126,154	\$ 2,126,154	\$ 2,126,154	\$ -
Departmental income	11,000	11,000	10,417	(583)
Use of money and property	200	200	274	74
Interfund revenues	30,000	30,000	-	(30,000)
Sale of property and compensation for loss	30,000	30,000	-	(30,000)
State aid	180,000	180,000	-	(180,000)
Total Revenues	2,377,354	2,377,354	2,136,845	(240,509)
EXPENDITURES				
Current				
Transportation	1,628,054	1,669,854	1,407,024	262,830
Employee benefits	549,000	549,000	597,780	(48,780)
Debt service				
Principal	96,000	96,000	96,000	-
Interest	39,300	39,300	30,303	8,997
Total Expenditures	2,312,354	2,354,154	2,131,107	223,047
Excess (Deficiency) of Revenues Over Expenditures	65,000	23,200	5,738	(17,462)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	41,800	-	(41,800)
Transfers out	(165,000)	(165,000)	(185,000)	(20,000)
Total Other Financing Uses	(165,000)	(123,200)	(185,000)	(61,800)
Net Change in Fund Balance	(100,000)	(100,000)	(179,262)	(79,262)
FUND BALANCE				
Beginning of Year	100,000	100,000	4,234	(95,766)
End of Year	\$ -	\$ -	\$ (175,028)	\$ (175,028)

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,086,305	\$ 2,086,305	\$ 2,086,305	\$ -
11,000	11,000	10,815	(185)
200	200	-	(200)
30,000	30,000	-	(30,000)
30,000	30,000	-	(30,000)
180,000	180,000	117,292	(62,708)
<u>2,337,505</u>	<u>2,337,505</u>	<u>2,214,412</u>	<u>(123,093)</u>
1,613,205	1,613,205	1,578,107	35,098
553,000	553,000	478,189	74,811
96,000	96,000	96,000	-
39,300	39,300	39,220	80
<u>2,301,505</u>	<u>2,301,505</u>	<u>2,191,516</u>	<u>109,989</u>
36,000	36,000	22,896	(13,104)
-	-	-	-
(140,000)	(140,000)	(140,000)	-
(140,000)	(140,000)	(140,000)	-
(104,000)	(104,000)	(117,104)	(13,104)
<u>104,000</u>	<u>104,000</u>	<u>121,338</u>	<u>17,338</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,234</u>	<u>\$ 4,234</u>

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 137,768</u>	<u>\$ 163,628</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 3,755	\$ 292,071
Due to other funds	2,231,362	852,607
Bond anticipation notes payable	<u>3,930,000</u>	<u>4,205,000</u>
Total Liabilities	6,165,117	5,349,678
FUND DEFICIT		
Unassigned	<u>(6,027,349)</u>	<u>(5,186,050)</u>
Total Liabilities and Fund Deficit	<u>\$ 137,768</u>	<u>\$ 163,628</u>

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Town of Pound Ridge, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 16	\$ 940
Federal aid	14,029	-
Miscellaneous	-	510,000
	<u>14,045</u>	<u>510,940</u>
EXPENDITURES		
Capital outlay	<u>1,130,344</u>	<u>4,075,577</u>
Deficiency of Revenues Over Expenditures	(1,116,299)	(3,564,637)
OTHER FINANCING SOURCES		
Transfers in	<u>275,000</u>	<u>200,000</u>
Net Change in Fund Balance	(841,299)	(3,364,637)
FUND DEFICIT		
Beginning of Year	<u>(5,186,050)</u>	<u>(1,821,413)</u>
End of Year	<u><u>\$ (6,027,349)</u></u>	<u><u>\$ (5,186,050)</u></u>

See independent auditors' report.

Town of Pound Ridge, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2021
 (With Comparative Totals for 2020)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2021	2020
ASSETS				
Cash and equivalents	\$ 215,333	\$ 116,425	\$ 331,758	\$ 347,364
Due from other funds	-	81,402	81,402	43,910
Total Assets	<u>\$ 215,333</u>	<u>\$ 197,827</u>	<u>\$ 413,160</u>	<u>\$ 391,274</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,488
Due to other funds	-	3,213	3,213	244
Total Liabilities	-	3,213	3,213	2,732
FUND BALANCE				
Restricted	215,333	-	215,333	211,711
Assigned	-	194,614	194,614	176,831
Total Fund Balances	<u>215,333</u>	<u>194,614</u>	<u>409,947</u>	<u>388,542</u>
Total Liabilities and Fund Balances	<u>\$ 215,333</u>	<u>\$ 197,827</u>	<u>\$ 413,160</u>	<u>\$ 391,274</u>

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Town of Pound Ridge, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended December 31, 2021
 (With Comparative Totals for 2020)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2021	2020
REVENUES				
Real property taxes	\$ -	\$ 44,780	\$ 44,780	\$ 43,910
Use of money and property	22	13	35	658
Miscellaneous	4,000	-	4,000	-
Total Revenues	4,022	44,793	48,815	44,568
EXPENDITURES				
Current				
Transportation	-	27,010	27,010	90,126
Culture and recreation	400	-	400	400
Total Expenditures	400	27,010	27,410	90,526
Excess (Deficiency) of Revenues Over Expenditures	3,622	17,783	21,405	(45,958)
FUND BALANCES				
Beginning of Year	211,711	176,831	388,542	434,500
End of Year	\$ 215,333	\$ 194,614	\$ 409,947	\$ 388,542

See independent auditors' report.

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 215,333</u>	<u>\$ 211,711</u>
FUND BALANCE		
Restricted	<u>\$ 215,333</u>	<u>\$ 211,711</u>

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Town of Pound Ridge, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 22	\$ 572
Miscellaneous	4,000	-
	<u>4,022</u>	<u>572</u>
EXPENDITURES		
Current		
Culture and recreation	400	400
	<u>3,622</u>	<u>172</u>
Excess of Revenues Over Expenditures	3,622	172
FUND BALANCE		
Beginning of Year	<u>211,711</u>	<u>211,539</u>
End of Year	<u>\$ 215,333</u>	<u>\$ 211,711</u>

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Town of Pound Ridge, New York

Public Parking District Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 116,425	\$ 135,653
Due from other funds	<u>81,402</u>	<u>43,910</u>
Total Assets	<u>\$ 197,827</u>	<u>\$ 179,563</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 2,488
Due to other funds	<u>3,213</u>	<u>244</u>
Total Liabilities	3,213	2,732
FUND BALANCE		
Assigned	<u>194,614</u>	<u>176,831</u>
Total Liabilities and Fund Balance	<u>\$ 197,827</u>	<u>\$ 179,563</u>

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Town of Pound Ridge, New York

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

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 44,780	\$ 44,780	\$ 44,780	\$ -
Use of money and property	200	200	13	(187)
Total Revenues	44,980	44,980	44,793	(187)
EXPENDITURES				
Current				
Transportation	59,980	59,980	27,010	32,970
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	17,783	32,783
FUND BALANCE				
Beginning of Year	15,000	15,000	176,831	161,831
End of Year	\$ -	\$ -	\$ 194,614	\$ 194,614

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2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 43,910	\$ 43,910	\$ 43,910	\$ -
200	200	86	(114)
44,110	44,110	43,996	(114)
59,110	59,110	90,126	(31,016)
(15,000)	(15,000)	(46,130)	(31,130)
15,000	15,000	222,961	207,961
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,831</u>	<u>\$ 176,831</u>

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