TOWN OF HARRIETSTOWN, NEW YORK

FINANCIAL REPORT

DECEMBER 31, 2025

CONTENTS

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Town Board
Town of Harrietstown, New York
Harrietstown, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Harrietstown, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Harrietstown, New York's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Harrietstown, New York, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Harrietstown, New York, 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 of Harrietstown, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

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aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Harrietstown, New York'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 of Harrietstown, New York's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 10), budgetary comparison information (pages 20 and 21), and Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (page 53) and Schedules of Town's Proportionate Share of the Net Pension Liability – ERS, and Schedules of the Town's Contributions – ERS (pages 51-52) 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Harrietstown, New York's basic financial statements. The schedules of state transportation assistance expended and passenger facility charges collected and expended are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of expenditures of federal awards, state transportation assistance expended and passenger facility charges collected and expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2 2026, on our consideration of the Town of Harrietstown, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Harrietstown, New York's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

August 2, 2026

The Town of Harrietstown offers this discussion and analysis in conjunction with the audit of financial statements for the fiscal year ended December 31, 2025.

1. FINANCIAL HIGHLIGHTS

Total assets and deferred outflows of the Town exceeded total liabilities and deferred inflows by $25,601,128. Net position of business-type activities was $23,200,859 and net position of governmental activities was $2,400,269.

For the year, total revenues for the Town were $9,967,695, while total expenses were $7,165,441. The net of the revenues and expenses leaves the town with a net surplus of $2,802,254.

At the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $2,307,387.

At the end of the year, total unassigned fund balance for the general fund was $865,953.

Total outstanding long-term indebtedness for the Town at the end of the year was $1,217,112.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as a commentary to the financial statements for the Town of Harrietstown. The financial statements are comprised of the following three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the financial statements, such as budgetary comparisons.

Government-wide financial statements – The government wide financial statements are intended to provide the reader with a broad overview of the financial condition of the Town that closely matches the reporting format of most private-sector companies. The Statement of Net Position provides comparisons that will assist in answering the question of whether the Town's financial condition has improved or deteriorated during the year.

The Statement of Net Position provides the reader with a snapshot in time of the assets, liabilities and resulting nets assets (or equity as stated with private sector reporting) of the Town. Over time, increases or decreases in the net position of the Town may provide an indicator of the trend in the Town's financial condition. Other forward-looking indicators will also assist the reader to assess the overall financial health of the Town.

The Statement of Activities provides the reader with the sources of revenue for the Town, the sources of expenses and the net balance between the two which directly impacts the resulting net position at year-end. Reporting of revenues and expenses is done using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This means that transactions are recorded when they are realizable and measurable and not when cash flows into or out of the Town.

The governmental-wide financial statements, of the Town, separate functions into two components. First, governmental activities of the town are primarily supported by taxes and intergovernmental revenues. Second, business-type activities are intended to support all or a large portion of their expenses through user fees and charges and receive no direct support from other funds. The governmental activities include: general government, public safety (mostly fire protection), street construction & maintenance, economic development, and water & sewer utility. The only business-type activity in the Town is the Adirondack Regional Airport.

The government-wide financial statements can be found on the pages immediately following this section as the first two 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. The Town of Harrietstown, 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 of Harrietstown can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

a. Governmental funds – Most of the Town's basic services are reported in governmental funds, which focus on near term inflows and outflows of expendable resources as well as on the balance of expendable resources *available* at the end of the year. Expendable resources are measured using the modified accrual method of accounting. Under this method, resources are considered available if they can be readily converted to cash, generally within one year. Reviewing governmental funds may be useful in assessing the Town's near term financing requirements.

   The main difference between governmental funds and the government-wide financial statements is, respectively, short-term view versus long-term view; it is useful to compare the information presented in both. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions.

   The Town of Harrietstown maintains eight governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and the special revenue fund, all of which are considered to be major funds. The special revenue fund aggregates data from the other six subsidiary funds into a single major fund. Individual fund data for each of these subsidiary governmental funds is provided in the form of combining statements elsewhere in this report.

   The financial statements for governmental funds can be found in the Basic Financial Statements, which is in the following section.

b. Proprietary funds – The Town of Harrietstown maintains only one type of proprietary fund, the Airport. The Town's enterprise fund is the same as business-type activities reported in the government-wide statements but provide more detail such as cash flows.

c. 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 Town cannot use any assets in these funds to finance the Town's operations. It is the town's responsibility to ensure the assets in these funds are used for their intended purposes.

Notes to financial statements – The notes to the financial statements provide additional information that the reader of this report may require to fully understand all aspects of this report. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Net position may serve as a useful indicator of a government's financial position over time. For the year ending December 31, 2025, the Town of Harrietstown's assets exceeded liabilities by $25,601,128.

The majority of the Town's net position is capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens (e.g. public water, sewer, recreational facilities, roads, etc.). Since these assets are not liquid and are not intended to be sold, they 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.

Town of Harrietstown Net Assets

	Governmental activities		Business-type activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current Assets	$ 2,591,491	$ 2,576,010	$ 5,434,892	$ 4,348,888	$ 8,026,383	$ 6,924,898
Noncurrent Assets	3,891,730	3,269,082	20,264,515	18,161,400	24,156,245	23,318,153
Total Assets	6,483,221	5,845,092	25,699,407	22,510,288	32,182,628	28,355,380
Deferred outflow of resources						
Pension	$ 266,063	$ 345,860	$ 164,251	$ 203,211	$ 430,314	$ 549,071
OPEB (GASB 75)	682,409	903,248	202,470	286,097	884,879	1,189,345
Total Deferred Outflow of Resources	948,472	1,249,108	366,721	489,308	1,315,193	1,738,416
Total Assets and Deferred Outflow of Resources	$ 7,431,693	$ 7,094,200	$ 26,066,128	$22,999,596	$ 33,497,821	$ 30,093,796
Current Liabilities	$ 471,990	$ 507,801	$ 1,035,627	$ 413,091	$ 1,507,617	$ 920,892
Noncurrent Liabilities	3,173,123	3,096,466	844,807	968,360	4,017,930	4,064,826
Total Liabilities	3,645,113	3,604,267	1,880,434	1,381,451	5,525,547	4,985,718
Deferred inflow of resources						
Pension	36,521	222,030	22,546	130,454	59,067	352,484
OPEB (GASB 75)	1,349,790	1,157,314	565,185	235,105	1,914,975	1,392,419
Leases	-	-	397,104	493,414	397,104	493,414
Total Deferred Inflow of Resources	1,386,311	1,379,344	984,835	858,973	2,371,146	2,238,317
Net Position:						
Net investment in capital assets	2,470,786	2,315,730	19,622,262	17,471,563	22,093,048	21,674,964
Restricted	-	-	293,277	273,920	293,277	273,920
Unrestricted	(70,517)	(205,141)	3,285,320	3,013,689	3,214,803	2,808,548
Total Net Position	2,400,269	2,110,589	23,200,859	20,759,172	25,601,128	22,869,761
Total Liabilities, Deferred Inflow and Net Position	$ 7,431,693	$ 7,094,200	$ 26,066,128	$22,999,596	$ 33,497,821	$ 30,093,796

- **Governmental activities**

Total net position of the Town's governmental activities for the year ended December 31, 2025 was $2,400,269. The majority of the net position, $2,470,786, is tied up in capital assets (net of related debt).

Unrestricted assets at year-end for governmental activities were $(70,517).

- **Business-type activities**

The total net position of our business-type activities was $23,200,859 at year-end. Like the governmental-type activities, capital assets net of related debt were $19,622,262 and made up the majority of the net position.

Restricted net position of $293,277 is the accumulation of Passenger Facility Charges collected by the Airport to be used for certain airport projects.

Unrestricted net position was $3,285,320. In addition, net position of the business-type activities cannot be used to support any of the activities in the governmental-type activities. The Town can only use the net position to finance the continuing operations of the Airport.

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on pages 12-13. Key elements of this change are illustrated in the following table.

Town of Harrietstown
Change in Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 179,569	$ 174,750	$ 3,013,914	$ 2,806,136	$ 3,193,483	$ 2,980,886
Capital Grants and contributions	15,000	6,000	3,068,130	1,668,100	3,083,130	1,674,100
General revenues:						
Property Taxes	2,367,396	2,290,461	469,453	461,078	2,836,849	2,751,539
Other Taxes	12,949	49,462	-	-	12,949	49,462
Government Aid	405,575	373,461	-	-	405,575	373,461
Other	241,999	334,062	193,710	203,016	435,709	537,078
Total Revenues	3,222,488	3,228,196	6,745,207	5,138,330	9,967,695	8,366,526
Expenses						
General support	946,250	932,046	-	-	946,250	932,046
Public safety and health	554,280	489,913	-	-	554,280	489,913
Highway maintenance	527,966	678,684	-	-	527,966	678,684
Economic development	39,443	48,361	-	-	39,443	48,361
Recreation and culture	121,265	90,202	-	-	121,265	90,202
Home and community services	267,848	147,707	-	-	267,848	147,707
Employee benefits	395,851	606,388	-	-	395,851	606,388
Debt service	51,022	43,399	-	-	51,022	43,399
Airport	-	-	4,261,516	3,697,084	4,261,516	3,697,084
Total Expenses	2,903,925	3,036,700	4,261,516	3,697,084	7,165,441	6,733,784
Increase (decrease) in Net Position	318,563	191,496	2,483,691	1,441,246	2,802,254	1,632,742
Net Position - beginning, as previously reported	2,110,589	1,919,093	20,759,172	19,317,926	22,869,761	21,237,019
Prior period adjustment (Note 17)	(28,883)	-	(42,004)	-	(70,887)	-
Net Position - beginning, as restated	2,081,706	1,919,093	20,717,168	19,317,926	22,798,874	21,237,019
Net Position - ending	$ 2,400,269	$ 2,110,589	$ 23,242,863	$ 20,759,172	$ 25,672,015	$ 22,869,761

The Town's total revenues for the 2025 year were $9,967,695 versus total expenses of $7,165,441. For the year, the Town's net position increased by $2,802,254 to bring total net position of the primary government of the Town to $25,722,015. The following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for the Town's governmental activities for the year were $3,222,488 while total expenses were $2,903,925 which yielded an increase in net position of $318,563, or 14.9%. Property taxes comprised 73.5% of the total revenues while other taxes were 0.4% of revenues.

On the expense side, general support, home and community services, highway maintenance and employee benefits made up the majority of the cost of the governmental activities. General support expenses for the year totaled $946,250 or 32.6%.

Highway maintenance expenses for the year were $527,966 or 18.2%.

Finally, employee benefits for the year were $395,851, or 13.6% of total governmental activity expenses.

Business-type Activities

Revenues for the Airport for the year were $6,745,207 while total expenses were $4,261,516. The resulting net position of the business-type activities for the year increased by $2,483,691.

<u>THE TOWN'S FUNDS:</u>

Governmental Funds

1) General fund – The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance was $865,953 and the total fund balance was $1,187,021. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year ended December 31, 2025, unassigned fund balances represent 49.1% of total fund expenditures (including transfers out), while total fund balance was 67.3% of the same amount. The total fund balance of the Town's General Fund decreased by $38,573 during the current fiscal year.

2) Capital Projects Fund – The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases. At the end of the current fiscal year, the fund balance was a negative $268,998.

3) Special revenue fund – The special revenue fund for the Town is made up of the following individual funds: Highway (Part Town), General Town Outside Village, Fire Protection, Water, Sewer and Special Grant. At the end of the current fiscal year, the total special revenue fund balance was $1,389,364.

4) Proprietary fund – the only proprietary fund for the Town is the Airport. For the fiscal year ended December 31, 2025, fund balance was $23,200,859.

4. BUDGETARY HIGHLIGHTS

No later than September 30th, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds. Public hearings are held upon completion and filing of the tentative budget. Subsequent to such public hearings and no later than January 1, the budget is legally enacted through passage of an ordinance. All modifications to the budget must be approved by the Board.

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. Budget appropriations lapse at year end.

The Town's annual budget includes estimated revenues and appropriations for the General Fund and the Proprietary Fund. The Highway (Part Town), General Town Outside Village, Fire Protection, Water, and Sewer, which are special revenue funds, are also included in the budgetary process. Special grants do not have an annual budget even though they are special revenue funds.

The Town's budget should contain reasonable revenue and expenditure estimates and be structurally balanced so that recurring costs are financed with recurring revenues. The budget formula for operating funds is: estimated revenues plus appropriated fund balance equals total amount available to finance operations.

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

In accordance with GASB 34, the Town has recorded depreciation expense associated with all of its capital assets, including infrastructure. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounted to $23,530,160 (net of accumulated depreciation). The amount as of December 31, 2024 was $20,761,869 (or an increase of $2,768,291, or 13.3%. The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress (CIP).

Major capital asset events during the current fiscal year included:

- Total capital expenditures for governmental activities for the year were $801,552.
- Depreciation expense for governmental activities for the year was $178,904.

	Governmental activities		Business-type activities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Land	**$ 40,407**	$ 40,407	**$ -**	$ -	**$ 40,407**	$ 40,407
Land Improvements	**79,994**	43,494	**9,664,170**	7,495,680	**9,744,164**	10,209,271
Construction	**3,992,811**	3,992,811	**8,659,251**	8,492,133	**12,652,062**	12,611,909
Machinery & Equipment	**1,000,084**	972,277	**5,433,471**	4,596,079	**6,433,555**	5,636,905
Licensed Vehicles	**1,872,732**	1,135,487	**1,086,027**	1,086,027	**2,958,759**	2,221,514
Construction in Progress	**-**	-	**4,983,518**	5,247,378	**4,983,518**	4,269,438
Intangible Lease Asset	**14,886**	28,252	**120,104**	126,633	**134,990**	154,885
Total	**7,000,914**	6,212,728	**29,946,541**	27,043,930	**36,947,455**	33,256,658
Less: Acc. Depreciation and Amortization	**(3,109,184)**	(2,943,646)	**(10,308,111)**	(9,551,143)	**(13,417,295)**	(12,494,789)
Net Capital Assets	**$ 3,891,730**	$ 3,269,082	**$ 19,638,430**	$ 17,492,787	**$ 23,530,160**	$ 20,761,869

Long-term Debt

For the year, installment obligations increased by $625,662. Two new trucks were purchased and financed for $651,350. Bond obligations decreased by $45,000 and lease liabilities decreased by $8,126. No bonds were issued during 2025 and 2024. The lease liability is owed for equipment leased by the Town.

More detailed information on the Town's capital assets and long-term debt activity is provided in the Notes to the Financial Statements.

Town of Harrietstown Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Installment obligation	**$ 677,764**	$ 52,102	**$ -**	$ -	**$ 677,764**	$ 52,102
Bonds	**520,000**	565,000	**-**	-	**520,000**	565,000
Lease liability	**3,180**	6,250	**16,168**	21,224	**19,348**	27,474
Total Outstanding Debt	**$ 1,200,944**	$ 623,352	**$ 16,168**	$ 21,224	**$ 1,217,112**	$ 644,576

6. ECONOMIC FACTORS

The Town of Harrietstown has a steady fiscal picture and is looking forward to 2026. Our budgets have been reasonable with little tax increase to our taxpayers. Our budgets are consistently stable except for the Airport which is an Enterprise Fund and by nature will fluctuate with the economy especially where fuel sales are concerned. As you will see in this report the fund balance in almost all of the funds increased with the exception of General A Fund, expenses were slightly higher than anticipated revenues. We are continuing to monitor our financial position. The Airport Terminal renovation has proved to be very challenging. The cost of materials to build have increased significantly since the initial design plans. We have incurred debt in the Highway department with the Installment purchases of two new plow trucks. We do not expect to increase our debt service in 2026. A considerable amount of work has been put into the parks. The town now has a dog park and a new playground. In 2026 there are plans to renovate an outside ice skating rink into a hockey box and batting cages. The Town has been successful in securing grants to make these projects happen.

7. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Harrietstown's finances to our citizens, taxpayers, customers, investors and creditors. If you need any additional copies of this report or have any additional questions, please contact our offices at the following address: Town of Harrietstown, Town Bookkeeper, 39 Main Street, Saranac Lake, NY 12983.

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Current assets			
Cash and investments	$ 2,550,076	$ 3,741,634	$ 6,291,710
State & federal aid receivable	-	1,426,125	1,426,125
Accounts receivable	8,275	8,212	16,487
Leases receivable - current portion (Note 16)	-	61,913	61,913
Internal balances	-	2,347	2,347
Inventory	-	81,784	81,784
Prepaids	33,140	112,877	146,017
Total current assets	2,591,491	5,434,892	8,026,383
Noncurrent assets			
Capital assets, net of accumulated depreciation (Note 7)	3,891,730	19,638,430	23,530,160
Leases receivable - less current portion (Note 16)	-	335,191	335,191
Cash restricted	-	290,894	290,894
Total noncurrent assets	3,891,730	20,264,515	24,156,245
Total assets	6,483,221	25,699,407	32,182,628
DEFERRED OUTFLOW OF RESOURCES			
Pension (Note 4)	266,063	164,251	430,314
Other post employment benefits (Note 5)	682,409	202,470	884,879
Total deferred outflow of resources	948,472	366,721	1,315,193
Total assets and deferred outflow of resources	$ 7,431,693	$ 26,066,128	$ 33,497,821
LIABILITIES			
Current liabilities:			
Accounts payable	$ 28,595	$ 879,089	$ 907,684
Accrued liabilities	23,162	21,558	44,720
Deferred revenues	10,000	20,000	30,000
Other liabilities (Note 12)	-	-	-
Internal balances	2,347	-	2,347
Sales tax payable	-	2,072	2,072
Retainages payable	-	107,610	107,610
Accrued interest	17,297	-	17,297
Installment obligation - current portion (Note 10)	122,409	-	122,409
Bonds payable - current portion (Note 9)	45,000	-	45,000
Bond anticipation notes payable (Note 8)	220,000	-	220,000
Lease liability - current portion (Note 11)	3,180	5,298	8,478
Total current liabilities	471,990	1,035,627	1,507,617
Noncurrent liabilities:			
Compensated absences (Note 3)	32,606	42,013	74,619
Other post employment benefits (Note 5)	1,686,841	530,592	2,217,433
Installment obligation - less current portion (Note 10)	555,355	-	555,355
Bonds payable - less current portion (Note 9)	475,000	-	475,000
Net pension liability- proportionate share	423,321	261,332	684,653
Lease liability - less current portion (Note 11)	-	10,870	10,870
Total noncurrent liabilities	3,173,123	844,807	4,017,930
Total liabilities	3,645,113	1,880,434	5,525,547
DEFERRED INFLOW OF RESOURCES			
Pension (Note 4)	36,521	22,546	59,067
Other post employment benefits (Note 5)	1,349,790	565,185	1,914,975
Leases (Note 16)	-	397,104	397,104
Total deferred inflow of resources	1,386,311	984,835	2,371,146
NET POSITION			
Net investment in capital assets	2,470,786	19,622,262	22,093,048
Restricted	-	293,277	293,277
Unrestricted	(70,517)	3,285,320	3,214,803
Total net position	2,400,269	23,200,859	25,601,128
Total liabilities, deferred inflow and net position	$ 7,431,693	$ 26,066,128	$ 33,497,821

See Independent Auditor's Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental Activities:				
General support	$ 946,250	$ 6,798	$ -	$ -
Public safety and health	554,280	-	-	-
Highway maintenance	527,966	106,412	-	-
Economic development	39,443	62,589	-	-
Recreation and culture	121,265	-	-	-
Home and community services	267,848	3,770	-	15,000
Employee benefits	395,851	-	-	-
Debt service	51,022	-	-	-
Total governmental activities	2,903,925	179,569	-	15,000
Business-type activities				
Airport	4,261,516	3,013,914	-	3,068,130
Total business-type activities	4,261,516	3,013,914	-	3,068,130
Total primary government	$ 7,165,441	$ 3,193,483	$ -	$ 3,083,130

General revenues:
Real property taxes
Other property tax items
Licenses and permits
Fines and forfeitures
Use of money and property
Sale of property and comp for loss
Miscellaneous
Federal sources
State sources
Local sources
Total general revenues and operating transfers

Change in net assets

Net position, beginning, as originally reported

Prior period adjustment (Note 17)

Net position, beginning, as restated

Net position, ending

See Independent Auditor’s Report and Notes to the Financial Statements.

EXHIBIT B

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (939,452)	$ -	$ (939,452)
(554,280)	-	(554,280)
(421,554)	-	(421,554)
23,146	-	23,146
(121,265)	-	(121,265)
(249,078)	-	(249,078)
(395,851)	-	(395,851)
(51,022)	-	(51,022)
(2,709,356)	-	(2,709,356)
-	1,820,528	1,820,528
-	1,820,528	1,820,528
(2,709,356)	1,820,528	(888,828)
2,367,396	469,453	2,836,849
12,949	-	12,949
10,863	-	10,863
16,115	-	16,115
179,360	139,798	319,158
29,602	-	29,602
6,059	15,912	21,971
37,735	-	37,735
367,840	-	367,840
-	38,000	38,000
3,027,919	663,163	3,691,082
318,563	2,483,691	2,802,254
2,110,589	20,759,172	22,869,761
(28,883)	(42,004)	(70,887)
2,081,706	20,717,168	22,798,874
$ 2,400,269	$ 23,200,859	$ 25,601,128

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2025

	General	Special Revenue	Capital Projects	Totals
ASSETS				
Cash and investments	$ 1,127,736	$ 1,399,395	$ 22,945	$ 2,550,076
Accounts receivable	6,785	1,490	-	8,275
Due from other funds (Note 6)	73,624	366	-	73,990
Prepaids	21,068	12,072	-	33,140
Total assets	$ 1,229,213	$ 1,413,323	$ 22,945	$ 2,665,481
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 13,000	$ 15,595	$ -	$ 28,595
Accrued liabilities	14,798	8,364	-	23,162
Bond anticipation notes payable (Note 8)	-	-	220,000	220,000
Due to other funds (Note 6)	4,394	-	71,943	76,337
Deferred revenues	10,000	-	-	10,000
Other liabilities (Note 12)	-	-	-	-
Total liabilities	42,192	23,959	291,943	358,094
Fund balances:				
Nonspendable:				
Prepaids	21,068	12,072	-	33,140
Assigned:				
Appropriated for subsequent year’s expenditures	300,000	133,600	-	433,600
Unappropriated	-	1,243,692	-	1,243,692
Unassigned	865,953	-	(268,998)	596,955
Total fund balances	1,187,021	1,389,364	(268,998)	2,307,387
Total liabilities and fund balances	$ 1,229,213	$ 1,413,323	$ 22,945	$ 2,665,481

TOWN OF HARRIETSTOWN, NEW YORK

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds (Exhibit C)	$	2,307,387
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		3,891,730
Deferred outflows:		
Pensions		266,063
OPEB (GASB 75)		682,409
Long-term liabilities, including bonds payable, compensated absences, claims and judgements, and other post employment benefits are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest		(17,297)
Compensated absences		(32,606)
Installment obligation		(677,764)
Bonds payable		(520,000)
Other post employment benefits		(1,686,841)
Net pension liability		(423,321)
Lease liability		(3,180)
Deferred inflows:		
Pensions		(36,521)
OPEB (GASB 75)		(1,349,790)
Net position of governmental activities (Exhibit A)	$	2,400,269

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Governmental Funds			
	General	Special Revenue	Capital Projects	Total
Revenues:				
Real property taxes	$ 1,248,121	$ 1,119,275	$ -	$ 2,367,396
Other property tax items	12,949	-	-	12,949
Charges for services	6,798	770	-	7,568
Home and community services	3,000	-	-	3,000
Intergovernmental charges	-	106,412	-	106,412
Licenses and permits	10,863	62,589	-	73,452
Fines and forfeitures	16,115	-	-	16,115
Use of money and property	124,226	55,134	-	179,360
Sale of property and compensation for loss	26,002	3,600	-	29,602
Miscellaneous	21,059	-	-	21,059
State sources	217,761	150,079	-	367,840
Federal sources	37,735	-	-	37,735
Total revenues	1,724,629	1,497,859	-	3,222,488
Expenditures:				
General support	854,338	-	-	854,338
Public safety and health	19,916	536,264	-	556,180
Highway maintenance	122,420	393,876	-	516,296
Economic development	39,443	-	-	39,443
Recreation and culture	184,665	15,000	-	199,665
Home and community services	8,224	257,274	-	265,498
Employee benefits	346,945	174,290	-	521,235
Debt service	187,251	27,162	-	214,413
Capital outlay	-	-	651,350	651,350
Total expenditures	1,763,202	1,403,866	651,350	3,818,418
Excess (deficiency) of revenues over expenditures	(38,573)	93,993	(651,350)	(595,930)
Other Financing Sources (Uses):				
BAN's redeemed from appropriations	-	-	110,000	110,000
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Installment debt proceeds	-	-	651,350	651,350
Total other financing sources (uses)	-	-	761,350	761,350
Excess (deficiency) of revenues and other sources over expenditures and other uses	(38,573)	93,993	110,000	165,420
Fund balance, beginning	1,225,594	1,295,371	(378,998)	2,141,967
Fund balance, ending	$ 1,187,021	$ 1,389,364	$ (268,998)	$ 2,307,387

See Independent Auditor’s Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds (Exhibit D)	$	165,420
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. This is the detail of the two components:		
Capital outlay		801,552
Depreciation/amortization expense		(178,904)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.		
Repayment of principal installment obligation		25,688
Repayment of principal - bonds		45,000
Repayment of principal - leases		3,070
Accrued interest on long term debt is an expense on the Statement of Activities, but not on governmental funds.		(17,297)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.		
Other post employment benefits used exceeded the amount earned during the year		84,221
Compensated absences earned exceeded the amount used during the year		(3,724)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.		
Employees' Retirement System		44,887
Proceeds from installment obligations		(651,350)
Change in net position of governmental activities (Exhibit B)	$	318,563

See Independent Auditor’s Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK **Exhibit E**

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 2025

	Highway (Part Town)	General Town Outside Village	Fire Protection	Water	Sewer	Special Grant	Total
ASSETS							
Cash	$ 590,066	$ 473,043	$ 27,701	$ 189,018	$ 97,514	$ 22,053	$ 1,399,395
Accounts receivable	-	1,490	-	-	-	-	1,490
Due from other funds (Note 5)	-	366	-	-	-	-	366
Prepaids	9,708	2,364	-	-	-	-	12,072
Total assets	$ 599,774	$ 477,263	$ 27,701	$ 189,018	$ 97,514	$ 22,053	$ 1,413,323
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	$ 14,251	$ 219	$ -	$ -	$ 1,125	$ -	$ 15,595
Accrued liabilities	6,452	1,912	-	-	-	-	8,364
Total liabilities	20,703	2,131	-	-	1,125	-	23,959
Fund Balance:							
Nonspendable:							
Prepaids	9,708	2,364	-	-	-	-	12,072
Assigned							
Appropriated for subsequent year's expenditures	90,000	40,000	-	2,800	800	-	133,600
Unappropriated	479,363	432,768	27,701	186,218	95,589	22,053	1,243,692
Total fund balance	579,071	475,132	27,701	189,018	96,389	22,053	1,389,364
Total liabilities and fund balance	$ 599,774	$ 477,263	$ 27,701	$ 189,018	$ 97,514	$ 22,053	$ 1,413,323

See Independent Auditor's Report and Notes to the Financial Statements.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
Year Ended December 31, 2025

	Highway (Part Town)	General Town Outside Village	Fire Protection	Water	Sewer	Special Grant	Total
Revenues:							
Real property taxes	$ 494,080	$ 113,707	$ 480,588	$ 5,700	$ 25,200	$ -	$ 1,119,275
Charges for services	-	770	-	-	-	-	770
Intergovernmental charges	106,412	-	-	-	-	-	106,412
Licenses and permits	-	62,589	-	-	-	-	62,589
Use of money and property	27,119	17,267	7	6,186	3,312	1,243	55,134
Sale of property and compensation for loss	3,600	-	-	-	-	-	3,600
Miscellaneous	-	-	-	-	-	-	-
State sources	-	13,579	-	-	-	136,500	150,079
Federal sources	-	-	-	-	-	-	-
Total revenues	631,211	207,912	480,595	11,886	28,512	137,743	1,497,859
Expenditures:							
Public safety and health	-	55,677	480,587	-	-	-	536,264
Highway maintenance	393,876	-	-	-	-	-	393,876
Recreation and culture	-	15,000	-	-	-	-	15,000
Home and community services	-	45,583	-	4,452	15,739	191,500	257,274
Employee benefits	131,410	42,880	-	-	-	-	174,290
Debt service	27,162	-	-	-	-	-	27,162
Total expenditures	552,448	159,140	480,587	4,452	15,739	191,500	1,403,866
Excess (deficiency) of revenues over expenditures	78,763	48,772	8	7,434	12,773	(53,757)	93,993
Other financing sources (uses)							
Transfer in (out)	-	-	-	-	-	-	-
Net change in fund balances	78,763	48,772	8	7,434	12,773	(53,757)	93,993
Fund Balance, beginning	500,308	426,360	27,693	181,584	83,616	75,810	1,295,371
Fund Balance, ending	$ 579,071	$ 475,132	$ 27,701	$ 189,018	$ 96,389	$ 22,053	$ 1,389,364

See Independent Auditor’s Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK **EXHIBIT G**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025

	Budged Amounts			Variance
	Original	**Final**	**Actual**	**Favorable (Unfavorable)**
Revenues:				
Real property taxes	$ 1,248,121	$ 1,248,121	$ 1,248,121	$ -
Other property tax items	12,000	12,000	12,949	949
Charges for services	6,500	6,500	6,798	298
Home and community services	1,000	1,000	3,000	2,000
Licenses and permits	7,750	7,750	10,863	3,113
Fines and forfeitures	15,000	15,000	16,115	1,115
Use of money and property	137,264	137,264	124,226	(13,038)
Sale of property & compensation for loss	-	-	26,002	26,002
Miscellaneous	106,000	106,000	21,059	(84,941)
State sources	120,000	120,000	217,761	97,761
Federal sources	-	-	37,735	37,735
Total revenues	1,653,635	1,653,635	1,724,629	70,994
Expenditures:				
General support	990,151	978,602	854,338	124,264
Public safety and health	20,408	20,408	19,916	492
Highway maintenance	125,791	125,791	122,420	3,371
Economic development	41,450	39,450	39,443	7
Recreation and culture	187,066	190,066	184,665	5,401
Home and community services	9,000	9,000	8,224	776
Employee benefits	358,095	368,644	346,945	21,699
Debt service	191,674	191,674	187,251	4,423
Total expenditures	1,923,635	1,923,635	1,763,202	160,433
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficit) of revenues and other sources over expenditures and other uses	(270,000)	(270,000)	(38,573)	
Fund Balance, Beginning	1,225,594	1,225,594	1,225,594	
Fund Balance, Ending	$ 955,594	$ 955,594	1,187,021	

See Independent Auditor's Report and Notes to the Financial Statements.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -SPECIAL REVENUE FUNDS
Year Ended December 31, 2025

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Real property taxes	$ 1,119,275	$ 1,119,275	$ 1,119,275	$ -
Charges for services	200	200	770	570
Intergovernmental charges	95,000	95,000	106,412	11,412
Licenses and permits	55,000	55,000	62,589	7,589
Use of money and property	30,000	30,000	53,891	23,891
Miscellaneous	500	500	-	(500)
State sources	78,579	78,579	13,579	(65,000)
Total revenues	1,378,554	1,378,554	1,360,116	(18,438)
Expenditures:				
General support	35,000	17,048	-	17,048
Public safety and health	543,281	543,281	536,264	7,017
Highway maintenance	478,492	489,348	393,876	95,472
Recreation and culture	19,500	19,500	15,000	4,500
Home and community services	87,443	87,443	65,774	21,669
Employee benefits	191,275	198,371	174,290	24,081
Debt service	27,163	27,163	27,162	1
Total expenditures	1,382,154	1,382,154	1,212,366	169,788
Other Financing Sources (Uses):				
Transfer in (out)	-	-	-	-
Excess (deficit) of revenues over expenditures and other uses	$ (3,600)	$ (3,600)	$ 147,750	
Fund Balance, Beginning	1,219,561	1,219,561	1,219,561	
Fund Balance, Ending	$ 1,215,961	$ 1,215,961	1,367,311	

See Independent Auditor’s Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK

STATEMENT OF NET POSITION - PROPRIETARY FUND (AIRPORT) **EXHIBIT I**
December 31, 2025

	2025
ASSETS	
Current assets:	
Cash and investments	$ 3,741,634
Receivables	8,212
Leases receivable - current portion (Note 16)	61,913
Prepaid expenses	112,877
Due from state and federal	1,426,125
Due from other funds (Note 6)	2,347
Inventory	81,784
Total current assets	5,434,892
Non-current assets:	
Capital assets, net of accumulated depreciation (Note 7)	19,638,430
Cash-restricted	290,894
Leases receivable - less current portion (Note 16)	335,191
Total non-current assets	20,264,515
Total assets	25,699,407
DEFERRED OUTFLOW OF RESOURCES	
Pension (Note 4)	164,251
OPEB (GASB 75)	202,470
Total deferred outflow of resources	366,721
Total assets and deferred outflow of resources	$ 26,066,128
LIABILITIES AND NET POSITION	
LIABILITIES:	
Current liabilities:	
Accounts payable	$ 879,089
Accrued liabilities	21,558
Sales tax payable	2,072
Deferred revenues	20,000
Retainages payable	107,610
Lease liability - current portion (Note 11)	5,298
Total current liabilities	1,035,627
Non-current liabilities:	
Compensated absences (Note 3)	42,013
Other post employment benefits	530,592
Net pension liability - proportionate share	261,332
Lease liability - less current portion (Note 11)	10,870
Total liabilities	1,880,434
DEFERRED INFLOW OF RESOURCES	
Pension (Note 4)	22,546
OPEB (GASB 75)	565,185
Leases (Note 16)	397,104
Total deferred inflow of resources	984,835
Total liabilities and deferred inflow of resources	2,865,269
NET POSITION	
Net investment in capital assets	19,622,262
Restricted	293,277
Unrestricted	3,285,320
Total net position	23,200,859
Total liabilities, deferred inflow and net position	$ 26,066,128

See Independent Auditor’s Report and Notes to the Financial Statements.

TOWN OF HARRIETSTOWN, NEW YORK **EXHIBIT J**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND (AIRPORT)
Year Ended December 31, 2025

	2025
Operating Revenues:	
Charges for services:	
Airport Fees	$ 352,636
Fuel & Gas	2,504,205
Airport Rentals	157,073
Miscellaneous	15,912
Total operating revenues	3,029,826
Operating expenses:	
Salaries and wages	627,652
Fringe benefits	548,414
Contractual services	486,659
Fuel	1,337,353
Repairs	176,673
Utilities	109,609
Miscellaneous	210,776
Depreciation and amortization	763,496
Total operating expenses	4,260,632
Operating loss	(1,230,806)
Nonoperating Income/(Expense)	
Real property taxes	469,453
Use of money and property	139,798
PFC revenue	19,297
Local support	38,000
Interest paid on lease liability	(884)
Total nonoperating revenue	665,664
Total loss before capital grants	(565,142)
Capital Contributions	
Federal Grants	1,592,367
State Grants	1,456,466
Total capital contributions	3,048,833
Change in net position	2,483,691
Net position, January 1, as originally reported	20,759,172
Prior period adjustment (Note 17)	(42,004)
Net position, January 1, as restated	20,717,168
Net position, December 31	$ 23,200,859

See Independent Auditor’s Report and Notes to the Financial Statements.

STATEMENT OF CASH FLOWS - PROPRIETARY FUND (AIRPORT)
Year Ended December 31, 2025

	2025
Net cash provided (used) by operating activities	
Cash received from customers	$ 3,049,176
Cash paid to suppliers and other vendors	(1,767,655)
Cash paid for salaries and employee benefits	(987,952)
Net cash provided by operating activities	293,569
Net cash provided by non-capital and financing activities	
Real property taxes	469,453
Local support	38,000
Net cash provided by non-capital and financing activities	507,453
Net cash provided by investing activities	
Interest income	139,798
Net cash provided by investing activities	139,798
Net cash provided (used) by capital and related financing activities	
Federal and State grants	1,924,949
PFC revenues	19,297
Purchase of capital assets	(2,801,530)
Principal payments on lease liability	(5,056)
Interest expense on lease liability	(884)
Net cash used by capital and related financing activities	(863,224)
Net increase in cash and cash equivalents	77,596
Cash and cash equivalents, beginning of year	3,954,932
Cash and cash equivalents, end of year	$ 4,032,528
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (1,230,806)
Adjustments to reconcile operating loss to net cash used by operating activities:	
GASB 68 pension adjustments	(20,601)
Other post employment benefits	205,092
Depreciation and amortization	763,496
Deferred inflows - leases	(96,310)
(Increase) decrease in assets:	
Receivables	19,350
Inventory	46,587
Prepaid expense	(4,243)
Lease receivable	96,310
Increase (decrease) in liabilities:	
Accounts Payable	506,554
Accrued Liabilities	8,759
Sales tax payable	274
Due to other governments	(903)
Compensated absences	10
Net cash provided by operating activities	$ 293,569

See Independent Auditor’s Report and Notes to the Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Town of Harrietstown, New York (Town) is governed by the municipal laws and other general laws of the State of New York. The Supervisor serves as chief executive officer and the fiscal officer of the Town. The governing body is the Town Board of the Town of Harrietstown (Board). The Board, which consists of the supervisor and four councilmen, is responsible for the overall operation of the Town. The Town provides the following services: highway and street maintenance, snow removal, water supply, sewer services, and fire protection. All governmental activities and functions performed for the Town are its direct responsibility.

SCOPE OF REPORTING ENTITY

The financial statements of the Town consist only of the funds and account groups of the Town. The Town has no oversight responsibility for any other governmental entity. The financial statements of the Town of Harrietstown, New York have been prepared in conformity with the requirements of Generally Accepted Accounting Principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole excluding fiduciary activities such as employee pension plans. The primary government is presented separately within the financial statements. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Town's services (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP). All other applicable GASB Statements have been implemented including GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principal Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Town has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "Available" means collectible within the current period or soon enough thereafter to pay current liabilities. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

FUND TYPES AND MAJOR FUNDS

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (continued)

Governmental Funds

The Town reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds –The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.

Proprietary Fund

The Town reports the following major proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town maintains one enterprise fund to account for the operations of the Adirondack Regional Airport.

Fiduciary Fund

The Custodial fund is used to account for assets held by the Town as an agent for individuals, private organizations, and/or other governmental units.

PERVASIVENESS OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liability and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BUDGETARY DATA

BUDGET POLICY AND PRACTICE

General - The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. The budget policies are as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY DATA (continued)

No later than September 30th, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds. Public hearings are held upon completion and filing of the tentative budget. Subsequent to such public hearings and no later than January 1, the budget is legally enacted through passage of an ordinance. All modifications to the budget must be approved by the Board.

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. Budget appropriations lapse at year end.

The Town does not prepare an operating budget for the Special Grant funds. Therefore, this fund's activities have been eliminated in the Statement of Revenues and Expenditures - Budget and Actual - Special Revenue Fund for year-end financial reporting.

A reconciliation of revenues and expenditures for the Special Revenue Fund on Exhibit H – Combining Statement of Revenues and Expenditures - Budget and Actual - Special Revenue Funds to revenues and expenditures for the respective funds on Exhibit D - Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds:

	Special Revenue Funds
Revenues included in budget comparison - Exhibit H	$ 1,360,116
Plus revenues from Special Revenue funds excluded in budget comparison	137,743
Revenues per Exhibit D	$ 1,497,859
Expenditures included in budget comparison - Exhibit H	$ 1,212,366
Plus Expenditures from Special Revenue Funds excluded in budget comparison	191,500
Expenditures per Exhibit D	$ 1,403,866

BUDGETARY CONTROL

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, equipment and capital outlay, contractual expense, employee benefits, transfers and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to the approval of the Town Board. Revisions to the budget were not made throughout the year.

BUDGET BASIS OF ACCOUNTING

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY DATA (continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. For budgetary purposes, appropriations lapse at fiscal year end except for that portion related to encumbered amounts. Open encumbrances at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

CASH

For purposes of the statement of cash flows, the Town includes all cash accounts, which are not subject to withdrawal restrictions, as cash on the accompanying balance sheet.

INVENTORIES

Inventories, comprised of aviation fuel, are valued at cost.

CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

Governmental funds

The Town's land, buildings, improvements, machinery and equipment and right-to-use assets with useful lives of 5-50 years, are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The Town generally capitalizes assets with a cost of $1,500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Land Improvements	20 Years
Construction	50 Years
Machinery & Equipment	5-20 Years
Licensed Vehicles	8 Years
Right-to-use assets	5 Years

Proprietary fund

Fixed assets are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Construction in progress represents numerous projects that will be transferred to the appropriate fixed asset category and depreciated upon their completion. Depreciation is computed on the group method over the estimated useful lives of the assets as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Land Improvements	20 Years
Construction	50 Years
Machinery & Equipment	5-20 Years
Licensed Vehicles	8 Years
Right-to-use assets	5 Years

EQUITY CLASSIFICATIONS

Town-wide Statements:

Net investment in capital assets– consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position - reports net position when constraints placed on those assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

Airport Equipment Reserve - An amount set aside for the future purchase of airport equipment has a balance at December 31, 2025 of $411,313 and is included as part of unrestricted net position on Exhibit A.

Fund statements:

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance consists of prepaid expenses of $33,140.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balance.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the town's highest level of decision making authority, i.e., the Town Supervisor and Town Board. The Town has no committed fund balances as of December 31, 2025.

Assigned – Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the town.

Order of Use of Fund Balance:

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

PROPERTY TAXES

Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Penalties and interest and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

EVENTS OCCURRING AFTER THE REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2025 and August 2, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NEW ACCOUNTING STANDARDS

The Town has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of December 31, 2025, including GASB Statement No. 101, *Compensated Absences*.

NOTE 2. CASH

Cash must be deposited in FDIC-insured banks within New York State. The Town Supervisor is authorized to use Certificates of Deposits and Time Deposit Accounts (Money market Accounts). Permissible investments include obligations of the U.S. treasury and U.S. agencies, repurchase agreements and obligations of New York State or its municipalities. Collateral is required for demand deposits and Certificates of Deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

The Town's investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement. Bank balances of deposits as of the balance sheet date were sufficiently collateralized with securities held by financial institutions in the Town's name.

NOTE 3. COMPENSATED ABSENCES

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts.

NOTE 3. COMPENSATED ABSENCES (continued)

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave of up to 10 days through paid time off or cash payment upon retirement, termination, or death.

In the Town-wide financial statements, the Town recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes.

NOTE 4. PENSION PLANS

The Town is sole owner of the land and facilities of Adirondack Regional Airport and is also a participating member in the New York State and Local Employees' Retirement System (System). As a result, certain employees of the Airport are members of the System with the related costs chargeable to operation of the airport. Such costs are however billed directly to the Town of Harrietstown.

Employees' Retirement System (ERS)

Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), 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.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be a least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

NOTE 4. PENSION PLANS (continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more that 20 percent of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years pf service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more that 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

NOTE 4. PENSION PLANS (continued)

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set for by law. The first $50,000 of ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the members' annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half of the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent of exceed 3 percent.

<u>Contributions</u>

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3.0 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions base on salaries paid during the Systems' fiscal year ending March 31.

NOTE 4. PENSION PLANS (continued)

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Contributions:

	ERS
2025	$ 214,965
2024	$ 174,256
2023	$ 140,069

ERS has provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

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

At December 31, 2025 the Town reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2025 for ERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS Systems in reports provided to the Town.

	ERS
Measurement Date	3/31/2025
Net Pension asset (liability)	$ (684,653)
Town's portion of the Plan's total net pension asset (liability)	-0.003993%
Change in proportion since prior measurement date	(109,173)

For the year ended December 31, 2025, the Town recognized pension expense of $139,300 for ERS. At December 31, 2025 the Town's reported deferred outflows of resources related to pension are from the following sources:

NOTE 4. PENSION PLANS (continued)

	Governmental Activities ERS		Business-type Activities ERS		Total Primary Government ERS	
Deferred Outflows of Resources:						
Differences between expected and actual experience	$	105,071	$	64,864	$	169,935
Changes of assumptions		17,753		10,960		28,713
Net difference between projected and actual earnings on pension plan investments		33,212		20,504		53,716
Changes in proportion and differences between the Town's contributions and proportionate share of contributions		10,342		6,384		16,726
Town's contributions subsequent to the measurement date		99,685		61,539		161,224
Total Deferred Outflows	$	266,063	$	164,251	$	430,314
Deferred Inflows of Resources:						
Differences between expected and actual experience	$	4,956	$	3,060	$	8,016
Changes in assumptions		-		-		-
Net difference between projected and actual earnings on pension plan investments		-		-		-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions		31,565		19,486		51,051
Total Deferred Inflows	$	36,521	$	22,546	$	59,067

The Town’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

NOTE 4. PENSION PLANS (continued)

		ERS
Year ended:		
	2026	$ 108,230
	2027	164,405
	2028	(68,385)
	2029	5,773
Total		$ 210,023

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward to total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement date	3/31/2025
Actuarial valuation date	4/1/2024
Interest rate	5.9%
Salary scale	4.3%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience
Inflation rate	2.9%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the Actuarial assumptions used in the April 1, 2024 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 build block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the longer term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarize below:

NOTE 4. PENSION PLANS (continued)

	Long-Term Expected Real Rate of Return
Measurement Date	3/31/2025
Asset Type:	%
Domestic equity	3.54
International equity	6.57
Private equity	7.25
Real estate	4.95
Absolute return strategies	5.25
Credit	5.40
Real assets	5.55
Fixed income	2.00
Cash	0.25

Discount Rate

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

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

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

ERS	1% Decrease	Current Assumption	1% Increase
Employer's proportionate	4.9%	5.9%	6.9%
share of the net pension asset/(liability)	$ (1,981,471)	$ (684,653)	$ 398,192

NOTE 4. PENSION PLANS (continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through December 31, 2025 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2025 amounted to $0, as the contributions were paid early in December 2025.

NOTE 5. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

The Town provides post-employment (health insurance, etc) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements. Post-employment benefits aggregating $23,849 for 5 employees were charged to expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

Plan Description – The Town's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Town. The plan is a single-employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Town provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Town offices and are available upon request.

Employees Covered by Benefit Terms – At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	22
	27

B. Total OPEB Liability

The Town's total OPEB liability of $2,217,433 was measured as of January 1, 2025, and was determined by an actuarial valuation as of January 1, 2025.

NOTE 5. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary Increases	3.0 percent
Discount Rate	4.08 percent
Healthcare Cost Trend Rate	6.5 percent for 2026, decreasing to a rate of 4.04 percent for 2085 and later years

The discount rate was based on Bond Buyer GO-20 Municipal Bond Index.

Mortality rates were based on the Pub-2010 Mortality Table, as appropriate, and adjusted for mortality improvements with scale MP-2021 on a generational basis.

C. Changes in the Total OPEB Liability

Balance at January 1, 2024	$ 2,923,584
Changes for the Year-	
Service Cost	137,953
Interest	98,980
Changes of benefit terms	-
Differences between expected and actual experience	(592,585)
Changes in assumptions or other inputs	(299,820)
Benefit payments	(50,679)
Net Changes	(706,151)
Balance at January 1, 2025	$ 2,217,433

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% in 2024 to 4.08% in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08 percent) or 1 percentage point higher (5.08 percent) than the current discount rate:

	1% Decrease 3.08%	Discount Rate 4.08%	1% Increase 5.08%
Total OPEB Liability	$ 2,609,330	$ 2,217,433	$ 1,899,775

NOTE 5. POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 1,840,691	$ 2,217,433	$ 2,706,498

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

For the year ended December 31, 2025, the Town recognized OPEB expense of $158,351. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,242	$ 1,063,260
Changes of assumptions or other inputs	846,157	851,715
Contributions subsequent to the measurement period	37,480	-
Total	$ 884,879	$ 1,914,975

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

Year Ended December 31,	Amount
2026	$ (63,846)
2027	(105,430)
2028	(128,227)
2029	(159,264)
2030	(227,088)
2031 and Thereafter	(383,721)
	$ (1,067,576)

NOTE 6. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables at December 31, 2025, were as follows:

Fund Type	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General	$ 73,624	$ 4,394	$ -	$ -
Special revenue	366	-	-	-
Capital	-	71,943	-	-
Airport	2,347	-	-	-
Total	$ 76,337	$ 76,337	$ -	$ -

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

NOTE 7. CAPITAL ASSETS

A summary of changes in the Town’s capital assets for governmental activities is as follows:

Governmental funds

	Balance December 31, 2024	Additions	Deletions	Reclassification	Balance December 31, 2025
Land	$ 40,407	$ -	$ -	$ -	$ 40,407
Land Improvements	43,494	36,500	-	-	79,994
Construction	3,992,811	-	-	-	3,992,811
Machinery & Equipment	972,277	113,702	-	(85,895)	1,000,084
Licensed Vehicles	1,135,487	651,350	-	85,895	1,872,732
Intangible Lease Asset	28,252	-	13,366	-	14,886
Total	6,212,728	$ 801,552	$ 13,366	$ -	7,000,914
Less accumulated depreciation and amortization	2,943,646				3,109,184
	$ 3,269,082				$ 3,891,730

NOTE 7. CAPITAL ASSETS (continued)

Depreciation/amortization were charged to governmental functions as follows:

Depreciation/amortization charged to governmental functions:

	12/31/2025
General support	$ 133,222
Home and community services	4,250
Highway maintenance	41,432
	$ 178,904

A detail of the Town's capital assets for business type activities (Airport) is as follows:

FIXED ASSETS

DESCRIPTION	12/31/2024	ADDITIONS	DELETIONS	12/31/2025
Land Improvements	$ 7,495,680	$ 2,168,490	$ -	$ 9,664,170
Construction	8,492,133	167,118	-	8,659,251
Machinery & Equipment	4,596,079	837,392	-	5,433,471
Licensed Vehicles	1,086,027	-	-	1,086,027
Construction in Progress	5,247,378	2,861,378	3,125,238	4,983,518
Intangible Lease Asset	126,633	-	6,529	120,104
Total	27,043,930	$ 6,034,378	$ 3,131,767	29,946,541
Less accumulated depreciation and amortization	9,551,143			10,308,111
	$ 17,492,787			$ 19,638,430

Intangible Lease Assets:

In 2022, the Town implemented the guidance in GASB Statement No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases. Capital assets now include the cost and accumulated amortization of leased equipment.

On the governmental activities, the Town leases postal equipment. Amortization expense for these leased assets was $3,070 in 2025.

On the business type activities (Airport), the Town leases airplane refueling equipment. Amortization expense for these leased assets was $5,056 in 2025.

NOTE 8. BOND ANTICIPATION NOTE PAYABLE

The Town of Harrietstown has $150,000 and $70,000 in bond anticipation notes payable outstanding at December 31, 2025. The BANs mature on October 8, 2026 and December 4, 2026 respectively and carry interest at 3.88% and 3.95%. The purpose of the BANs are for the installation of ski trail lighting at the Dewey Mountain Recreation Center, as well the construction of a new salt shed for the highway department. Interest paid on the BANs in 2025 amounted to $12,957.

NOTE 8. BOND ANTICIPATION NOTE PAYABLE (continued)

The following is a summary of changes in short-term debt:

	Balance 12/31/2024	Additions	Deletions	**Balance 12/31/2025**
Bond Anticipation Notes	$ 330,000	$ 220,000	$ 330,000	**$ 220,000**

BANS are comprised of the following:

Payee	Interest Rate	Date Issued	Maturity Date	Purpose	**Balance 12/31/2025**
Greene County Commercial Bank	3.88%	10/8/2025	10/8/2026	Improvements	**$ 150,000**
NBT Bank, N.A.	3.95%	12/4/2025	12/4/2026	Improvements	**70,000**
					$ 220,000

NOTE 9. BONDS

Changes in bonds for the year ended December 31, 2025 follow:

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2025	$ 565,000	$ -	$ 565,000
Bonds issued	-	-	-
Bonds Retired	(45,000)	-	(45,000)
Amount payable at December 31, 2025	$ 520,000	$ -	$ 520,000

Total interest paid on the bonds for the year ended December 31, 2025 was $19,294.

The annual debt service requirements relating to bonds are as follows:

	Governmental Activities		
Year	Principal	Interest	Total
2026	$ 45,000	$ 18,000	$ 63,000
2027	45,000	16,650	61,650
2028	50,000	15,244	65,244
2029	50,000	13,681	63,681
2030	50,000	11,994	61,994
2031-2035	280,000	32,175	312,175
	$ 520,000	$ 107,744	$ 627,744

NOTE 9. BONDS (continued)

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the bonds or notes, i.e. the general fund, the appropriate special revenue fund or the enterprise fund.

General obligation bonds consist of the following:

Governmental funds	
$900,000 Public Improvement Serial Bonds, variable principal payments through 2035, interest variable at 2.875%-3.75%	$ 520,000
Total Governmental Activities	520,000
Business-type Activities	
None	-
Total Business-type Activities	-
Total General Obligation Bonds	$ 520,000

NOTE 10. INSTALLMENT OBLIGATIONS

Changes in installment obligations for the year ended December 31, 2025 follow:

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2025	$ 52,102	$ -	$ 52,102
Installment obligations issued	651,350	-	651,350
Installment obligation payments	(25,688)	-	(25,688)
Amount payable at December 31, 2025	$ 677,764	$ -	$ 677,764

The annual debt service requirements relating to installment obligations are as follows:

	Principal		
Year	Governmental Activities	Business-type Activities	Total Principal
2026	$ 122,409	$ -	$ 122,409
2027	100,701	-	100,701
2028	105,638	-	105,638
2029	110,817	-	110,817
2030	116,250	-	116,250
2031	121,949	-	121,949
	$ 677,764	$ -	$ 677,764

NOTE 10. INSTALLMENT OBLIGATIONS (continued)

The annual debt service interest requirements relating to installment obligations are as follows:

	Interest		
Year	Governmental Activities	Business-type Activities	Total Interest
2026	$ 32,680	$ -	$ 32,680
2027	27,227	-	27,227
2028	22,290	-	22,290
2029	17,111	-	17,111
2030	11,678	-	11,678
2031	5,979	-	5,979
	$ 116,965	$ -	$ 116,965

Total Interest paid on the installment obligations for the year ended December 31, 2025 was $1,474.

General installment obligations consist of the following:

Governmental funds	
$125,000 Installment Obligation for 2021 Volvo Wheel Loader due in annual installments of $27,162 (includes interest) through 2026, interest at 2.83%	$ 26,414
$651,350 Installment Obligation for two 2025 Western Star Dump Trucks due in annual installments of $127,928 (includes interest) through 2031, interest at 4.9026%	651,350
Total Governmental Activities	677,764
Business-type Activities	
None	-
Total Business-type Activities	-
Total General Installment Obligations	$ 677,764

NOTE 11. LEASE LIABILITY

In 2022, the Town implemented the guidance in GASB Statement No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

Changes in lease liabilities for the year ended December 31, 2025 follow:

NOTE 11. LEASE LIABILITY (continued)

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2025	$ 6,250	$ 21,224	$ 27,474
Lease issued	-	-	-
Lease payments	(3,070)	(5,056)	(8,126)
Amount payable at December 31, 2025	$ 3,180	$ 16,168	$ 19,348

Interest paid was $170 for the governmental activities and $884 for the business-type activities in 2025.

The leased equipment and accumulated amortization of the intangible lease assets are outlined in Note 7.

Minimum lease payments over the next three years include:

	Principal		
Year	Governmental Activities	Business-type Activities	Total Principal
2026	$ 3,180	$ 5,298	$ 8,478
2027	-	5,550	5,550
2028	-	5,320	5,320
	$ 3,180	$ 16,168	$ 19,348

	Interest		
Year	Governmental Activities	Business-type Activities	Total Interest
2026	$ 61	$ 642	$ 703
2027	-	390	390
2028	-	125	125
	$ 61	$ 1,157	$ 1,218

NOTE 11. LEASE LIABILITY (continued)

Lease liabilities consist of the following:

Governmental funds		
Lease for Pitney Bowes postal equipment, paid in monthly installments of $270.02 (includes interest) through 2026, interest at 3.5%.	$	3,180
Total Governmental Activities		3,180
Business-type Activities		
Lease for 3000 gallon jet refueler, paid in monthly installments of $495 (includes interest) through 2028, interest at 4.67%.		16,168
Total Business-type Activities		16,168
Total General Lease Liabilities	$	19,348

NOTE 12. OTHER LIABILITIES

The Town received funding from the American Rescue Plan Coronavirus Local Fiscal Recovery Fund, which is recorded as a liability until all eligibility requirements are met (including eligible expenditures incurred). In 2024, $130,900 of these funds have been spent on a new water pumping station and a new roof for the highway department building. In 2025, the remaining balance of $37,735 was spent on lighting improvements at the Town hall building.

NOTE 13. STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY

The Capital Projects Fund has a deficit fund balance of $268,998. This will be funded as the General Fund transfers monies to the Capital Projects Fund to make the principal payments on the outstanding BANs, or long term bond financing is obtained.

NOTE 14. COMMITMENTS AND CONTINGENCIES

The Town has received Federal and State Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The Town believes disallowances, not previously provided for, if any, will be immaterial.

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

In 2020, the NYSDEC designated the Adirondack Regional Airport, which is owned and operated by the Town, as a Class 2 Inactive Hazardous Waste Site due to the detection of contamination in the groundwater at the site and in neighboring surface water bodies. NYSDEC has asserted the Town, as owner and operator, is a potentially responsible party for the investigation and cleanup. NYSDEC has

NOTE 14. COMMITMENTS AND CONTINGENCIES (continued)

demanded the Town execute an administrative order on consent requiring the Town to pay for and, through a consultant, conduct the investigation and cleanup under NYSDEC oversight and approval. Per NYSDEC demand, the Town entered into the administrative order on consent with the NYSDEC. The Town has retained an environmental consultant. The consultant, in compliance with NYSDEC requirements, has prepared and obtained approval of a remedial investigation workplan and the remedial investigation is underway. The investigation will likely take years. After it is complete, the consultant will prepare a feasibility study to analyze remedial alternatives and present a recommendation to NYSDEC. NYSDEC will then select the remedial alternative that it deems most appropriate. It is likely the Town's liability may exceed $1,000,000, but due to the uncertainty of the cleanup, the amount and timing are unknown. The Town has obtained a grant to fund the investigation. The Town successfully sued its airport liability insurer in the Northern District of New York. Going forward, the Town's investigation costs are subject to the grant and a portion of its future remediation costs may be subject to insurance and future grants. The Town has sued over a dozen parties for this potential liability. These actions may serve to mitigate the Town's liability.

NOTE 15. TAX ABATEMENTS

The County of Franklin entered into various property tax abatement programs for the purpose of economic development. The Town's property tax revenue was reduced $7,852. The Town received payments in Lieu of Tax (PILOT) payments totaling $8,142.

NOTE 16. LEASES RECEIVABLE

The Town leases hangers and other space at the Airport. Details of the lease receivables are as follows:

Description	Issue Date	Final Maturity	Interest Rate	Balance at 12/31/2025
Cape Air	3/1/2022	2/28/2026	0.00%	$ 6,334
Calista/ADK Hanger	1/1/2020	12/31/2029	0.00%	32,256
TSA	3/1/2022	2/28/2027	0.00%	130,933
North Country Life Flight	8/1/2024	7/31/2029	0.00%	8,875
Green Bay Inc.	8/1/2024	7/31/2029	0.00%	171,666
Indian Point Aviation	7/9/2020	7/9/2025	0.00%	47,040
				$ 397,104

NOTE 16. LEASES RECEIVABLE (continued)

Future lease payments to be received over the remainder of the lease terms are as follows:

Years ending December 31,		
2026	$	61,913
2027		55,961
2028		56,359
2029		55,741
2030		49,957
2031-2035		107,957
2036-2040		9,216
	$	397,104

Long term lease revenue for the year ended December 31, 2025 amounted to $96,310.

NOTE 17. PRIOR PERIOD ADJUSTMENT – GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

During the year ended December 31, 2025, the Town implemented GASB No. 101, *Compensated Absences,* which created a prior period adjustment for additional compensated absences liability of $28,883 for the governmental funds and $42,004 for the Airport fund. See Note 3 for additional information.

TOWN OF HARRIETSTOWN, NEW YORK

SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Year Ended December 31, 2025

NYSERS Pension Plan
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability (asset)	0.0039931%	0.0039084%	0.0043363%	-0.0041745%	0.0039059%	0.0039140%	0.0037308%	0.0040208%	0.0041267%	0.0037593%
Town's proportionate share of the net pension liability (asset)	$ 684,653	$ 575,480	$ 929,876	$ (341,250)	$ 3,889	$ 1,036,453	$ 264,340	$ 129,770	$ 387,752	$ 603,376
Town's covered- employee payroll	$ 1,421,206	$ 1,316,952	$ 1,231,201	$ 1,190,702	$ 1,219,172	$ 1,183,530	$ 1,168,976	$ 1,136,336	$ 1,078,906	$ 1,088,592
Towns proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.17%	43.70%	75.53%	-28.66%	0.32%	87.57%	22.61%	11.42%	35.94%	55.43%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

* The amounts presented for each fiscal year were determined as of 12/31

See Independent Auditor's Report

TOWN OF HARRIETSTOWN, NEW YORK

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Year Ended December 31, 2025

NYSERS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 214,965	$ 174,256	$ 140,069	$ 133,466	$ 174,809	$ 155,793	$ 162,459	$ 152,685	$ 156,048	$ 158,792
Contributions in relation to the contractually required contribution	$ 214,965	$ 174,256	$ 140,069	$ 133,466	$ 174,809	$ 155,793	$ 162,459	$ 152,685	$ 156,048	$ 158,792
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	$ 1,421,206	$ 1,316,952	$ 1,231,201	$ 1,190,702	$ 1,219,172	$ 1,183,530	$ 1,168,976	$ 1,136,336	$ 1,078,906	$ 1,088,592
Contributions as a percentage of covered-employee payroll	15.1%	13.2%	11.4%	11.2%	14.3%	13.2%	13.9%	13.4%	14.5%	14.6%

See Independent Auditor's Report

TOWN OF HARRIETSTOWN, NEW YORK

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Measurment Date	January 1, 2025	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Service Cost	$ 137,953	$ 125,531	$ 231,477	$ 202,968	$ 133,908	$ 95,102	$ 115,667	$ 110,277
Interest	98,980	97,471	78,862	63,805	67,558	76,085	67,673	64,790
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	(592,585)	-	(494,087)	-	(592,395)	-	42,549	-
Changes of assumption or other inputs	(299,820)	231,620	(872,359)	552,301	898,804	443,305	(282,640)	99,640
Benefit payments	(50,679)	(51,369)	(40,709)	(17,261)	(48,518)	(38,304)	(30,095)	(23,689)
Net change in total OPEB liability	(706,151)	403,253	(1,096,816)	801,813	459,357	576,188	(86,846)	251,018
Total OPEB liability - beginning	2,923,584	2,520,331	3,617,147	2,815,334	2,355,977	1,779,789	1,866,635	1,615,617
Total OPEB liability - Ending	$ 2,217,433	$ 2,923,584	$ 2,520,331	$ 3,617,147	$ 2,815,334	$ 2,355,977	$ 1,779,789	$ 1,866,635
Covered payroll	$ 1,156,676	$ 1,116,597	$ 1,067,765	$ 1,098,457	$ 1,121,018	$ 1,067,635	$ 1,113,778	$ 973,612
Total OPEB liability as a percentage of covered payroll	192%	262%	236%	329%	251%	221%	160%	192%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available**.**

Changes of assumptions and other inputs reflect the change in the discount rate from 3.26% to 4.08% at the current measurement date.

See Independent Auditor's Report

TOWN OF HARRIETSTOWN, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing/CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Terminal Building Revitalization Supplement Part 1				
#3-36-0105-91-25	20.106	N/A	$ -	$ 97,470
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
East Ramp Rehabilitation (Construction)				
#3-36-0105-81-22	20.106	N/A	-	669,949
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Runway 5/23 Rehabilitation - Phase I (Construction)				
#3-36-0105-76-20	20.106	N/A	-	565
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
On & Off Airport Obstruction Removal (Design and Construction)				
#3-36-0105-77-20	20.106	N/A	-	2,092
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Runway 5/23 Rehabilitation - Phase II (Construction)				
#3-36-0105-79-21	20.106	N/A	-	100,640
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Terminal Building Revitalization Supplement Part 2				
#3-36-0105-93-25	20.106	N/A	-	100,577
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Taxiway D Rehabilitation (Design)				
#3-36-0105-84-23	20.106	N/A	-	10,013
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Runway 5-23 Lighting Replacement (Design)				
#3-36-0105-85-23	20.106	N/A	-	14,215

U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Remote Aircraft Parking Apron Pavement Reconstruction & Expansion (Design) #3-36-0105-86-23	20.106	N/A	-	20,763
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Replace Snow Removal Equipment #3-36-0105-88-23	20.106	N/A	-	1,169
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Master Plan Update #3-36-0105-89-24	20.106	N/A	-	209,149
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Hanger Rehabiliation (Design & Construction) #3-36-0105-90-24	20.106	N/A	-	2,348
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Expand Terminal Apron (Design) #3-36-0105-87-23	20.106	N/A	-	31,995
Total Department of Transportation			-	1,260,945
U.S. Department of the Treasury Pass-Through New York State Office of the Comptroller: Covid 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	NY1615	-	37,735
Total Department of the Treasury			-	37,735
U.S Environmental Protection Agency Pass-Through New York State Environmental Facilities Corp: Clean Water State Revolving Fund	66.458	C5-5545-02-00	-	331,424
Total Environmental Protection Agency			-	331,424
U.S. Department of Housing and Urban Development Pass-Through New York State Homes and Community Renewal: Community Development Block Grant	14.228	514ME558-24	136,500	136,500
Community Development Block Grant	14.228	N/A	55,000	55,000
Total Department of Housing and Urban Development			191,500	191,500
Total Federal Expenditures			$ 191,500	$ 1,821,604

TOWN OF HARRIETSTOWN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Note 1. Basis of Presentation

The accompanying schedule of federal financial assistance includes the federal grant activity of the Town of Harrietstown, New York and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Harrietstown, New York, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Harrietstown, New York.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniforms Guidance applied to overall expenditures.

TOWN OF HARRIETSTOWN

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
For the Year Ended December 31, 2025

Program Title	NYSDOT Contract / Reference Number	Expenditures
Matching Grants for the FAA Airport Improvement Program:		
Replace Snow Removal Equipment	7905.66	$ 31
Terminal Building Revitalization Supplement, Part 1	7905.23	2,565
Master Plan Update	7905.21	5,504
East Ramp Rehabilitation (Construction)	7905.16	17,630
Hanger Rehabilitation (Design & Construction)	7905.22	114
Terminal Building Revitalization Supplement, Part 2	7905.25	2,647
Taxiway D Rehabilitation (Design)	7905.14	263
Runway 5-23 Lighting Replacement (Design)	7905.19	374
Remote Aircraft Parking Apron Pavement	7905.55	546
Expand Terminal Apron (Design)	7905.63	842
Airport Terminal Revitalization	7905.37	1,430,735
Total Expenditures of State Transportation Assistance Expended		$ 1,461,251

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
For the Year Ended December 31, 2025

Note 1. Basis of Presentation

The accompanying schedule of State Transportation Assistance Expended of Town of Harrietstown presents the activity of all financial assistance programs provided by the New York State Department of Transportation and is presented on the accrual basis of accounting.

TOWN OF HARRIETSTOWN

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND INTEREST CREDITED
For the Year Ended December 31, 2025

Passenger facility charges collected	$ 19,297
Interest credited	29
Total collected and credited	19,326
Passenger facility charges expended	-
Increase in unexpended passenger facility charges	19,326
Unexpended passenger facility charges as of December 31, 2024	273,951
Unexpended passenger facility charges as of December 31, 2025	$ 293,277

NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND INTEREST CREDITED
December 31, 2025

Note 1. Basis of Presentation

The accompanying schedule of passenger facility charges (PFC) collected and expended and interest credited are prepared on the basis of cash receipts and disbursements, as prescribed or permitted for filing with the Federal Aviation Administration, which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Town Board
Town of Harrietstown, New York
Harrietstown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Harrietstown, New York, as of and for the year ended December 31, 2026, and the related notes to the financial statements, which collectively comprise Town of Harrietstown, New York's basic financial statements and have issued our report thereon dated August 2, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, item 2025-001.

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Report on Compliance and Other Matters

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

Town of Harrietstown, New York's Response to Findings

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

Purpose of this Report

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

Boulrice & Wood CPAs, PC

August 2, 2026

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Town Board
Town of Harrietstown, New York
Harrietstown, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Harrietstown, New York's compliance with the types of compliance requirements described in OMB *Compliance Supplement* that could have a direct and material effect on Town of Harrietstown, New York's major federal programs for the year ended December 31, 2025. Town of Harrietstown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Harrietstown, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Town of Harrietstown, New York and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Harrietstown, New York's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Harrietstown, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Town of Harrietstown, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Harrietstown, New York's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Boulrice & Wood CPAs, PC

Boulrice, & Wood, CPA's PC
August 2, 2026

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA ***STEPHEN P. WOOD, CPA***

REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Compliance

We have audited the compliance of Town of Harrietstown with the types of compliance requirements described in the Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended December 31, 2025. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of Town of Harrietstown's management. Our responsibility is to express an opinion on Town of Harrietstown's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about the Town of Harrietstown's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Town of Harrietstown's compliance with those requirements.

In our opinion, Town of Harrietstown complied in all material respects with the requirements referred to above that are applicable

Internal Control Over Compliance

The management of Town of Harrietstown is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state transportation assistance programs tested. In planning and performing our audit, we considered Town of Harrietstown's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants, that would be material in relation to state transportation assistance programs tested, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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Schedule of State Transportation Assistance Expended

We have audited the financial statements of Town of Harrietstown as of December 31, 2025 and for the year then ended and have issued our report thereon dated August 2, 2026. Our audit was performed for the purpose of forming an opinion on Town of Harrietstown's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of Town of Harrietstown's management and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

Boulrice & Wood CPAs, PC

Boulrice, & Wood, CPA's PC
August 2, 2026

TOWN OF HARRIETSTOWN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
· Material weakness(es) identified?	___ yes	X no
· Reportable condition(s) identified that are not considered to be material weaknesses?	X yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	___ yes	X no
· Reportable condition(s) identified not considered to be a material weakness?	___ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)	___ yes	X no

Identification of Major Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation FAA - Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

Auditee qualified as low-risk Auditee? X yes ___ no

TOWN OF HARRIETSTOWN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDIT RESULTS, CONTINUED

State Department of Transportation awards

Internal control over major programs:

· Material weakness(es) identified? ______ yes __X__ no

· Reportable condition(s) identified not considered to be a material weakness? ______ yes __X__ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported. ______ yes __X__ no

Identification of State Transportation Assistance Programs Tested:

Name	State Number
Replace Snow Removal Equipment	7905.66
Terminal Building Revitalization Supplement, Part 1	7905.23
Master Plan Update	7905.21
East Ramp Rehabilitation (Construction)	7905.16
Hanger Rehabilitation (Design & Construction)	7905.22
Terminal Building Revitalization Supplement, Part 2	7905.25
Taxiway D Rehabilitation (Design)	7905.14
Runway 5-23 Lighting Replacement (Design)	7905.19
Remote Aircraft Parking Apron Pavement	7905.55
Expand Terminal Apron (Design)	7905.63
Airport Terminal Revitalization	7905.37

TOWN OF HARRIETSTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION II - FINANCIAL STATEMENTS

2025-001 Adjusting Journal Entries

Condition: We made 35 adjusting journal entries during the course of the audit. The majority were needed to correct accounts in order to close the year.

Effect: Possible financial statement misstatements could go undetected.

Cause: Ineffective oversight of financial reporting and internal control by those charged with governance.

Criteria: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Recommendation: Be certain that all adjusting entries are made prior to the commencement of audit field work.

Corrective Action: The Town will continue to strive to make all adjusting entries prior to the commencement of audit field work.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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TOWN CLERK AND RECEIVER OF TAXES
SABRINA HARRISON

HIGHWAY SUPERINTENDENT
DANIEL MARTIN

CODE ENFORCEMENT OFFICER
TODD A. DAVIS

SOLE ASSESSOR
WARREN TICHENOR

AIRPORT MANAGER
COREY HURWITCH

2025 Adjusting Journal Entries

Condition: We made 35 adjusting journal entries during the course of the audit. The majority were needed to correct accounts in order to close the year.

Effect: Possible financial statement misstatements could go undetected.

Cause: Ineffective oversight of financial reporting and internal control by those charged with governance.

Criteria: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis.

Corrective Action:

The Town of Harrietstown is implementing a corrective action plan to reduce the number of journal entries the auditor will need to make in the future. Elizabeth Bevilacqua, the accountant for the Town of Harrietstown continues to strive to reduce the number of journal entries needed to close out the year. The Town Accountant recognizes that reducing the number of journal entries during the audit process is necessary. All account codes within each Fund will be reviewed on a regular basis to find and correct errors before the audit. End of year close out will take place before the annual audit. Continuing education has been increased significantly and used as a useful resource for the Town Accountant to improve knowledge and reduce errors.

Jordanna Mallach

TOWN OF HARRIETSTOWN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2025

2024-001 Adjusting Journal Entries

Condition: We made 33 adjusting journal entries during the course of the audit. The majority were needed to correct accounts in order to close the year.

Recommendation: Be certain that all adjusting entries are made prior to the commencement of audit field work.

Current Status: A similar finding was noted in the 2025 audit.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Town Board
Town of Harrietstown, New York
Harrietstown, New York

Compliance

We have audited the compliance of Town of Harrietstown, New York with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended December 31, 2025. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of Town of Harrietstown, New York's management. Our responsibility is to express an opinion on Town of Harrietstown, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Town of Harrietstown, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Harrietstown, New York's compliance with those requirements.

In our opinion, Town of Harrietstown complied in all material respects with the requirements referred to above that are applicable to each of its passenger facility charge program for the year ended December 31, 2025.

Internal Control Over Compliance

The management of Town of Harrietstown, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered Town of Harrietstown, New York's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

Our Consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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Schedule of Expenditures of Passenger Facility Charges

We have audited the general-purpose financial statements of Town of Harrietstown, New York as of and for the year ended December 31, 2025, and have issued our report thereon dated August 2, 2026 Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the town board, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Boulrice & Wood CPAs, PC

August 2, 2026