

**TOWN OF HARRIETSTOWN, NEW YORK**

**FINANCIAL REPORT**

**DECEMBER 31, 2024**

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# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **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, 2024, 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, 2024, 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

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 Harriestown, 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 Harriestown, 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 52) and Schedules of Town's Proportionate Share of the Net Pension Liability – ERS, and Schedules of the Town's Contributions – ERS (pages 50-51) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Harriestown, New York's basic financial statements. The schedule of passenger facility charges collected and expended is presented for purposes of additional analysis and is 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 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 June 30, 2025, 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*

June 30, 2025

The Town of Harrietstown offers this discussion and analysis in conjunction with the audit of financial statements for the fiscal year ended December 31, 2024.

## **1. FINANCIAL HIGHLIGHTS**

Total assets and deferred outflows of the Town exceeded total liabilities and deferred inflows by \$22,869,761. Net position of business-type activities was \$20,759,172 and net position of governmental activities was \$2,110,589.

For the year, total revenues for the Town were \$8,366,526, while total expenses were \$6,733,784. The net of the revenues and expenses leaves the town with a net surplus of \$1,632,742.

At the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$2,141,967.

At the end of the year, total unassigned fund balance for the general fund was \$938,344.

Total outstanding long-term indebtedness for the Town at the end of the year was \$644,576.

## **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, 2024, the Town of Harrietstown's assets exceeded liabilities by \$22,869,761.

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	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 2,576,010	\$ 2,565,298	\$ 4,348,888	\$ 4,188,510	\$ 6,924,898	\$ 6,753,808
Noncurrent Assets	3,269,082	3,268,802	18,161,400	17,177,381	21,430,482	20,446,183
<b>Total Assets</b>	<b>5,845,092</b>	<b>5,834,100</b>	<b>22,510,288</b>	<b>21,365,891</b>	<b>28,355,380</b>	<b>27,199,991</b>
Deferred outflow of resources						
Pension	\$ 345,860	\$ 443,352	\$ 203,211	\$ 238,729	\$ 549,071	\$ 682,081
OPEB (GASB 75)	903,248	974,969	286,097	275,721	1,189,345	1,250,690
<b>Total Deferred Outflow of Resources</b>	<b>1,249,108</b>	<b>1,418,321</b>	<b>489,308</b>	<b>514,450</b>	<b>1,738,416</b>	<b>1,932,771</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 7,094,200</b>	<b>\$ 7,252,421</b>	<b>\$ 22,999,596</b>	<b>\$21,880,341</b>	<b>\$ 30,093,796</b>	<b>\$ 29,132,762</b>
Current Liabilities	\$ 507,801	\$ 736,291	\$ 413,091	\$ 771,353	\$ 920,892	\$ 1,507,644
Noncurrent Liabilities	3,096,466	3,162,311	968,360	932,471	4,064,826	4,094,782
<b>Total Liabilities</b>	<b>3,604,267</b>	<b>3,898,602</b>	<b>1,381,451</b>	<b>1,703,824</b>	<b>4,985,718</b>	<b>5,602,426</b>
Deferred inflow of resources						
Pension	222,030	35,248	130,454	18,980	352,484	54,228
OPEB (GASB 75)	1,157,314	1,399,478	235,105	262,632	1,392,419	1,662,110
Leases	-	-	493,414	576,979	493,414	576,979
<b>Total Deferred Inflow of Resources</b>	<b>1,379,344</b>	<b>1,434,726</b>	<b>858,973</b>	<b>858,591</b>	<b>2,238,317</b>	<b>2,293,317</b>
Net Position:						
Net investment in capital assets	2,315,730	2,135,827	17,471,563	16,420,114	19,787,293	18,555,941
Restricted	-	-	273,920	251,688	273,920	251,688
Unrestricted	(205,141)	(216,734)	3,013,689	2,646,124	2,808,548	2,429,390
<b>Total Net Position</b>	<b>2,110,589</b>	<b>1,919,093</b>	<b>20,759,172</b>	<b>19,317,926</b>	<b>22,869,761</b>	<b>21,237,019</b>
<b>Total Liabilities, Deferred Inflow and Net Position</b>	<b>\$ 7,094,200</b>	<b>\$ 7,252,421</b>	<b>\$ 22,999,596</b>	<b>\$21,880,341</b>	<b>\$ 30,093,796</b>	<b>\$ 29,132,762</b>

- **Governmental activities**

Total net position of the Town's governmental activities for the year ended December 31, 2024 was \$2,110,589. The majority of the net position, \$2,135,730, is tied up in capital assets (net of related debt).

Unrestricted assets at year-end for governmental activities were \$(205,141).

- **Business-type activities**

The total net position of our business-type activities was \$20,759,172 at year-end. Like the governmental-type activities, capital assets net of related debt were \$17,471,563 and made up the majority of the net position.

Restricted net position of \$273,920 is the accumulation of Passenger Facility Charges collected by the Airport to be used for certain airport projects.

Unrestricted net position was \$3,013,689. 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	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 174,750	\$ 169,938	\$ 2,806,136	\$ 3,111,494	\$ 2,980,886	\$ 3,281,432
Capital Grants and contributions	56,000	139,391	1,668,100	2,145,692	1,724,100	2,285,083
General revenues:						
Property Taxes	2,290,461	2,263,075	461,078	450,768	2,751,539	2,713,843
Other Taxes	49,462	13,267	-	-	49,462	13,267
Government Aid	373,461	150,697	-	-	373,461	150,697
Other	334,062	221,985	203,016	189,786	537,078	411,771
<b>Total Revenues</b>	<b>3,278,196</b>	<b>2,958,353</b>	<b>5,138,330</b>	<b>5,897,740</b>	<b>8,416,526</b>	<b>8,856,093</b>
<b>Expenses</b>						
General support	932,046	904,566	-	-	932,046	904,566
Public safety and health	489,913	539,417	-	-	489,913	539,417
Highway maintenance	678,684	519,183	-	-	678,684	519,183
Economic development	48,361	43,362	-	-	48,361	43,362
Recreation and culture	90,202	87,873	-	-	90,202	87,873
Home and community services	147,707	70,245	-	-	147,707	70,245
Employee benefits	606,388	774,360	-	-	606,388	774,360
Debt service	43,399	62,345	-	-	43,399	62,345
Airport	-	-	3,697,084	3,723,912	3,697,084	3,723,912
<b>Total Expenses</b>	<b>3,036,700</b>	<b>3,001,351</b>	<b>3,697,084</b>	<b>3,723,912</b>	<b>6,733,784</b>	<b>6,725,263</b>
Increase (decrease) in Net Position	241,496	(42,998)	1,441,246	2,173,828	1,682,742	2,130,830
<b>Net Position - beginning</b>	<b>1,919,093</b>	<b>1,962,091</b>	<b>19,317,926</b>	<b>17,144,098</b>	<b>21,237,019</b>	<b>19,106,189</b>
<b>Net Position - ending</b>	<b>\$ 2,160,589</b>	<b>\$ 1,919,093</b>	<b>\$ 20,759,172</b>	<b>\$ 19,317,926</b>	<b>\$ 22,919,761</b>	<b>\$ 21,237,019</b>

The Town's total revenues for the 2024 year were \$8,366,526 versus total expenses of \$6,733,784. For the year, the Town's net position increased by \$1,632,742 to bring total net position of the primary government of the Town to \$22,869,761. 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 \$3,228,196 while total expenses were \$3,036,700 which yielded an increase in net position of \$191,496, or 10.0%. Property taxes comprised 71.0% of the total revenues while other taxes were 1.5% 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 \$932,046 or 30.7%.

Highway maintenance expenses for the year were \$678,684 or 22.3%.

Finally, employee benefits for the year were \$606,388, or 20.0% of total governmental activity expenses.

## **Business-type Activities**

Revenues for the Airport for the year were \$5,138,330 while total expenses were \$3,697,084. The resulting net position of the business-type activities for the year increased by \$1,441,246.

## **THE TOWN'S FUNDS:**

### **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 \$938,344 and the total fund balance was \$1,225,594. 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, 2024, unassigned fund balances represent 51.6% of total fund expenditures (including transfers out), while total fund balance was 67.4% of the same amount. The total fund balance of the Town's General Fund increased by \$18,671 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 \$378,998.
- 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 \$1,295,371.
- 4) Proprietary fund – the only proprietary fund for the Town is the Airport. For the fiscal year ended December 31, 2024, fund balance was \$20,759,172.

## **4. BUDGETARY HIGHLIGHTS**

No later than September 30<sup>th</sup>, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1<sup>st</sup>. 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, 2024 amounted to \$20,761,869 (net of accumulated depreciation). The amount as of December 31, 2023 was \$19,715,202 or an increase of \$1,046,667, or 5.3%. 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 \$204,718.
- Depreciation expense for governmental activities for the year was \$204,438.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 40,407	\$ 40,407	\$ -	\$ -	\$ 40,407	\$ 40,407
Land Improvements	43,494	32,304	7,495,680	4,836,773	7,539,174	4,869,077
Construction	3,992,811	3,865,846	8,492,133	8,492,133	12,484,944	12,357,979
Machinery & Equipment	972,277	905,714	4,596,079	4,594,093	5,568,356	5,499,807
Licensed Vehicles	1,135,487	1,135,487	1,086,027	1,086,027	2,221,514	2,221,514
Construction in Progress	-	-	5,247,378	6,225,318	5,247,378	6,225,318
Intangible Lease Asset	28,252	28,252	126,633	126,633	154,885	154,885
<b>Total</b>	<b>6,212,728</b>	<b>6,008,010</b>	<b>27,043,930</b>	<b>25,360,977</b>	<b>33,256,658</b>	<b>31,368,987</b>
Less: Acc. Depreciation and Amortization	(2,943,646)	(2,739,208)	(9,551,143)	(8,914,577)	(12,494,789)	(11,653,785)
<b>Net Capital Assets</b>	<b>\$ 3,269,082</b>	<b>\$ 3,268,802</b>	<b>\$ 17,492,787</b>	<b>\$ 16,446,400</b>	<b>\$ 20,761,869</b>	<b>\$ 19,715,202</b>

#### Long-term Debt

For the year, installment obligations decreased by \$24,980, bond obligations decreased by \$40,000, and lease liabilities decreased by \$4,643. No bonds were issued during 2024 and 2023. 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	
	2024	2023	2024	2023	2024	2023
Installment obligation	\$ 52,102	\$ 77,082	\$ -	\$ -	\$ 52,102	\$ 77,082
Bonds	565,000	605,000	-	-	565,000	605,000
Lease liability	6,250	10,893	21,224	26,286	27,474	37,179
<b>Total Outstanding Debt</b>	<b>\$ 623,352</b>	<b>\$ 692,975</b>	<b>\$ 21,224</b>	<b>\$ 26,286</b>	<b>\$ 644,576</b>	<b>\$ 719,261</b>

## 6. ECONOMIC FACTORS

The Town of Harrietstown had a good year in 2024. Revenues and expenditures remained consistent with the exception of the Enterprise Fund. The Airport's operating loss does fluctuate some from year to year with the economy. The Town will be breaking ground in 2025 for the new terminal project which is funded by an 8.5 million dollar NYS Department of Transportation grant. Our debt services are reasonable for the Town's size. We incurred no new debt in 2024, but we

do anticipate purchasing two trucks for the highway department in 2025. All ARPA funds have been obligated as of December 31, 2024, and the annual reporting has been completed. The AARCH Grant funds were utilized to repair the roof on Town Hall and address the issues caused on the second floor of the building from the water damage. The Town was unable to complete the re-evaluation of assessed properties in 2024 so that project will now be completed in 2025. Due to the Town's financial stability, we were able to pass the 2025 budget which has little to no tax increase to our taxpayers. The overall financial picture as of December 31, 2024 for the Town of Harrietstown appears to be stable. All funds have a sufficient fund balance to cover unexpected emergencies.

## **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, 2024**

	Governmental Activities	Business-type Activities	Total Primary Government
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 2,532,811	\$ 3,683,423	\$ 6,216,234
State & federal aid receivable	-	302,241	302,241
Accounts receivable	15,993	27,562	43,555
Leases receivable - current portion (Note 16)	-	96,310	96,310
Internal balances	-	2,347	2,347
Inventory	-	128,371	128,371
Prepays	27,206	108,634	135,840
Total current assets	<u>2,576,010</u>	<u>4,348,888</u>	<u>6,924,898</u>
Noncurrent assets			
Capital assets, net			
of accumulated depreciation (Note 7)	3,269,082	17,492,787	20,761,869
Leases receivable - less current portion (Note 16)	-	397,104	397,104
Cash restricted	-	271,509	271,509
Total noncurrent assets	<u>3,269,082</u>	<u>18,161,400</u>	<u>21,430,482</u>
Total assets	<u>5,845,092</u>	<u>22,510,288</u>	<u>28,355,380</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension (Note 4)	345,860	203,211	549,071
Other post employment benefits (Note 5)	903,248	286,097	1,189,345
Total deferred outflow of resources	<u>1,249,108</u>	<u>489,308</u>	<u>1,738,416</u>
Total assets and deferred outflow of resources	<u>\$ 7,094,200</u>	<u>\$ 22,999,596</u>	<u>\$ 30,093,796</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 28,845	\$ 372,535	\$ 401,380
Accrued liabilities	25,116	12,799	37,915
Due to other governments	-	903	903
Deferred revenues	10,000	20,000	30,000
Other liabilities (Note 12)	37,735	-	37,735
Internal balances	2,347	-	2,347
Sales tax payable	-	1,798	1,798
Installment obligation - current portion (Note 10)	25,688	-	25,688
Bonds payable - current portion (Note 9)	45,000	-	45,000
Bond anticipation notes payable (Note 8)	330,000	-	330,000
Lease liability - current portion (Note 11)	3,070	5,056	8,126
Total current liabilities	<u>507,801</u>	<u>413,091</u>	<u>920,892</u>
Noncurrent liabilities:			
Other post employment benefits (Note 5)	2,184,377	739,207	2,923,584
Installment obligation - less current portion (Note 10)	26,414	-	26,414
Bonds payable - less current portion (Note 9)	520,000	-	520,000
Net pension liability- proportionate share	362,495	212,985	575,480
Lease liability - less current portion (Note 11)	3,180	16,168	19,348
Total noncurrent liabilities	<u>3,096,466</u>	<u>968,360</u>	<u>4,064,826</u>
Total liabilities	<u>3,604,267</u>	<u>1,381,451</u>	<u>4,985,718</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension (Note 4)	222,030	130,454	352,484
Other post employment benefits (Note 5)	1,157,314	235,105	1,392,419
Leases (Note 16)	-	493,414	493,414
Total deferred inflow of resources	<u>1,379,344</u>	<u>858,973</u>	<u>2,238,317</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,315,730	17,471,563	19,787,293
Restricted	-	273,920	273,920
Unrestricted	(205,141)	3,013,689	2,808,548
Total net position	<u>2,110,589</u>	<u>20,759,172</u>	<u>22,869,761</u>
Total liabilities, deferred inflow and net position	<u>\$ 7,094,200</u>	<u>\$ 22,999,596</u>	<u>\$ 30,093,796</u>

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

**TOWN OF HARRIETSTOWN, NEW YORK**

**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General support	\$ 932,046	\$ 6,228	\$ -	\$ -
Public safety and health	489,913	-	-	50,000
Highway maintenance	678,684	103,490	-	-
Economic development	48,361	62,242	-	-
Recreation and culture	90,202	-	-	-
Home and community services	147,707	2,790	-	6,000
Employee benefits	606,388	-	-	-
Debt service	43,399	-	-	-
Total governmental activities	3,036,700	174,750	-	56,000
Business-type activities				
Airport	3,697,084	2,806,136	-	1,668,100
Total business-type activities	3,697,084	2,806,136	-	1,668,100
Total primary government	\$ 6,733,784	\$ 2,980,886	\$ -	\$ 1,724,100

General revenues:

- Real property taxes
- Other property tax items
- Licenses and permits
- Fines and forfeitures
- Use of money and property
- Miscellaneous
- Federal sources
- State sources
- Local sources
- Total general revenues and operating transfers
- Change in net assets
- Net position, beginning
- 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
\$ (925,818)	\$ -	\$ (925,818)
(439,913)	-	(439,913)
(575,194)	-	(575,194)
13,881	-	13,881
(90,202)	-	(90,202)
(138,917)	-	(138,917)
(606,388)	-	(606,388)
(43,399)	-	(43,399)
<u>(2,805,950)</u>	<u>-</u>	<u>(2,805,950)</u>
-	777,152	777,152
<u>-</u>	<u>777,152</u>	<u>777,152</u>
(2,805,950)	777,152	(2,028,798)
2,290,461	461,078	2,751,539
49,462	-	49,462
9,603	-	9,603
19,690	-	19,690
211,310	153,327	364,637
93,459	11,189	104,648
180,900	-	180,900
192,561	-	192,561
-	38,500	38,500
<u>3,047,446</u>	<u>664,094</u>	<u>3,711,540</u>
241,496	1,441,246	1,682,742
<u>1,919,093</u>	<u>19,317,926</u>	<u>21,237,019</u>
<u>\$ 2,160,589</u>	<u>\$ 20,759,172</u>	<u>\$ 22,919,761</u>

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2024**

	General	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>				
Cash and investments	\$ 1,221,328	\$ 1,288,538	\$ 22,945	\$ 2,532,811
Accounts receivable	8,118	7,875	-	15,993
Due from other funds (Note 6)	73,624	366	-	73,990
Prepays	17,250	9,956	-	27,206
Total assets	<u>\$ 1,320,320</u>	<u>\$ 1,306,735</u>	<u>\$ 22,945</u>	<u>\$ 2,650,000</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 24,295	\$ 4,550	\$ -	\$ 28,845
Accrued liabilities	18,302	6,814	-	25,116
Bond anticipation notes payable (Note 8)	-	-	330,000	330,000
Due to other funds (Note 6)	4,394	-	71,943	76,337
Deferred revenues	10,000	-	-	10,000
Other liabilities (Note 12)	37,735	-	-	37,735
Total liabilities	<u>94,726</u>	<u>11,364</u>	<u>401,943</u>	<u>508,033</u>
<b>Fund balances:</b>				
Nonspendable:				
Prepays	17,250	9,956	-	27,206
Assigned:				
Appropriated for subsequent year's expenditures	270,000	3,600	-	273,600
Unappropriated	-	1,281,815	-	1,281,815
Unassigned	938,344	-	(378,998)	559,346
Total fund balances	<u>1,225,594</u>	<u>1,295,371</u>	<u>(378,998)</u>	<u>2,141,967</u>
Total liabilities and fund balances	<u>\$ 1,320,320</u>	<u>\$ 1,306,735</u>	<u>\$ 22,945</u>	<u>\$ 2,650,000</u>



**TOWN OF HARRIETSTOWN, NEW YORK**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
December 31, 2024**

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

Total fund balance - governmental funds (Exhibit C)	\$	2,141,967
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		3,269,082
Deferred outflows:		
Pensions		345,860
OPEB (GASB 75)		903,248
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.		
Installment obligation		(52,102)
Bonds payable		(565,000)
Other post employment benefits		(2,184,377)
Net pension liability		(362,495)
Lease liability		(6,250)
Deferred inflows:		
Pensions		(222,030)
OPEB (GASB 75)		(1,157,314)
Net position of governmental activities (Exhibit A)	\$	<u>2,110,589</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**- ALL GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2024**

	Governmental Funds			
	General	Special Revenue	Capital Projects	Total
Revenues:				
Real property taxes	\$ 1,233,125	\$ 1,057,336	\$ -	\$ 2,290,461
Other property tax items	49,462	-	-	49,462
Charges for services	6,228	690	-	6,918
Home and community services	2,100	-	-	2,100
Intergovernmental charges	-	103,490	-	103,490
Licenses and permits	9,603	62,242	-	71,845
Fines and forfeitures	19,690	-	-	19,690
Use of money and property	148,667	62,643	-	211,310
Miscellaneous	99,070	389	-	99,459
State sources	137,342	55,219	-	192,561
Federal sources	130,900	50,000	-	180,900
<b>Total revenues</b>	<u>1,836,187</u>	<u>1,392,009</u>	<u>-</u>	<u>3,228,196</u>
Expenditures:				
General support	893,689	-	-	893,689
Public safety and health	19,587	470,326	-	489,913
Highway maintenance	201,348	465,392	-	666,740
Economic development	48,361	-	-	48,361
Recreation and culture	80,367	21,025	-	101,392
Home and community services	12,048	179,693	-	191,741
Employee benefits	321,999	162,646	-	484,645
Debt service	191,217	27,162	-	218,379
<b>Total expenditures</b>	<u>1,768,616</u>	<u>1,326,244</u>	<u>-</u>	<u>3,094,860</u>
Excess (deficiency) of revenues over expenditures	<u>67,571</u>	<u>65,765</u>	<u>-</u>	<u>133,336</u>
Other Financing Sources (Uses):				
BAN's redeemed from appropriations	-	-	110,000	110,000
Transfer in	-	48,900	-	48,900
Transfer out	(48,900)	-	-	(48,900)
<b>Total other financing sources (uses)</b>	<u>(48,900)</u>	<u>48,900</u>	<u>110,000</u>	<u>110,000</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>18,671</u>	<u>114,665</u>	<u>110,000</u>	<u>243,336</u>
Fund balance, beginning	<u>1,206,923</u>	<u>1,180,706</u>	<u>(488,998)</u>	<u>1,898,631</u>
Fund balance, ending	<u>\$ 1,225,594</u>	<u>\$ 1,295,371</u>	<u>\$ (378,998)</u>	<u>\$ 2,141,967</u>

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, 2024**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$	243,336
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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	204,718
Depreciation/amortization expense	(204,438)

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	24,980
Repayment of principal - bonds	40,000
Repayment of principal - leases	4,643

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 earned exceeded the amount used during the year	(79,393)
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(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	<u>(42,350)</u>
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Change in net position of governmental activities (Exhibit B)	<u>\$</u>	<u>191,496</u>
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See Independent Auditor's Report and Notes to the Financial Statements.

## COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

December 31, 2024

	Highway (Part Town)	General Town Outside Village	Fire Protection	Water	Sewer	Special Grant	Total
<b>ASSETS</b>							
Cash	\$ 497,725	\$ 421,738	\$ 27,693	\$ 181,584	\$ 83,988	\$ 75,810	\$ 1,288,538
Accounts receivable	3,659	4,216	-	-	-	-	7,875
Due from other funds (Note 5)	-	366	-	-	-	-	366
Prepays	8,038	1,918	-	-	-	-	9,956
<b>Total assets</b>	<u>\$ 509,422</u>	<u>\$ 428,238</u>	<u>\$ 27,693</u>	<u>\$ 181,584</u>	<u>\$ 83,988</u>	<u>\$ 75,810</u>	<u>\$ 1,306,735</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 3,879	\$ 299	\$ -	\$ -	\$ 372	\$ -	\$ 4,550
Accrued liabilities	5,235	1,579	-	-	-	-	6,814
<b>Total liabilities</b>	<u>9,114</u>	<u>1,878</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>11,364</u>
Fund Balance:							
Nonspendable:							
Prepays	8,038	1,918	-	-	-	-	9,956
Assigned							
Appropriated for subsequent year's expenditures	-	-	-	2,800	800	-	3,600
Unappropriated	492,270	424,442	27,693	178,784	82,816	75,810	1,281,815
<b>Total fund balance</b>	<u>500,308</u>	<u>426,360</u>	<u>27,693</u>	<u>181,584</u>	<u>83,616</u>	<u>75,810</u>	<u>1,295,371</u>
<b>Total liabilities and fund balance</b>	<u>\$ 509,422</u>	<u>\$ 428,238</u>	<u>\$ 27,693</u>	<u>\$ 181,584</u>	<u>\$ 83,988</u>	<u>\$ 75,810</u>	<u>\$ 1,306,735</u>

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, 2024

	Highway (Part Town)	General Town Outside Village	Fire Protection	Water	Sewer	Special Grant	Total
Revenues:							
Real property taxes	\$ 490,160	\$ 122,209	\$ 414,067	\$ 5,700	\$ 25,200	\$ -	\$ 1,057,336
Charges for services	-	690	-	-	-	-	690
Intergovernmental charges	103,490	-	-	-	-	-	103,490
Licenses and permits	-	62,242	-	-	-	-	62,242
Use of money and property	27,765	19,402	4	7,232	5,522	2,718	62,643
Miscellaneous	389	-	-	-	-	-	389
State sources	41,640	13,579	-	-	-	-	55,219
Federal sources	-	-	-	-	-	50,000	50,000
<b>Total revenues</b>	<b>663,444</b>	<b>218,122</b>	<b>414,071</b>	<b>12,932</b>	<b>30,722</b>	<b>52,718</b>	<b>1,392,009</b>
Expenditures:							
Public safety and health	-	56,260	414,066	-	-	-	470,326
Highway maintenance	465,392	-	-	-	-	-	465,392
Recreation and culture	-	21,025	-	-	-	-	21,025
Home and community services	-	42,103	-	-	87,590	50,000	179,693
Employee benefits	122,159	40,487	-	-	-	-	162,646
Debt service	27,162	-	-	-	-	-	27,162
<b>Total expenditures</b>	<b>614,713</b>	<b>159,875</b>	<b>414,066</b>	<b>-</b>	<b>87,590</b>	<b>50,000</b>	<b>1,326,244</b>
Excess (deficiency) of revenues over expenditures	48,731	58,247	5	12,932	(56,868)	2,718	65,765
Other financing sources (uses)							
Transfer in (out)	-	-	-	-	48,900	-	48,900
Net change in fund balances	48,731	58,247	5	12,932	(7,968)	2,718	114,665
Fund Balance, beginning	451,577	368,113	27,688	168,652	91,584	73,092	1,180,706
Fund Balance, ending	\$ 500,308	\$ 426,360	\$ 27,693	\$ 181,584	\$ 83,616	\$ 75,810	\$ 1,295,371

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended December 31, 2024**

	<b>Budgeted Amounts</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Real property taxes	\$ 1,233,125	\$ 1,233,125	\$ 1,233,125	\$ -
Other property tax items	12,000	12,000	49,462	37,462
Charges for services	6,600	6,600	6,228	(372)
Home and community services	500	500	2,100	1,600
Licenses and permits	10,000	10,000	9,603	(397)
Fines and forfeitures	10,000	10,000	19,690	9,690
Use of money and property	124,764	124,764	148,667	23,903
Miscellaneous	85,170	85,170	99,070	13,900
State sources	125,000	125,000	137,342	12,342
Federal sources	-	-	130,900	130,900
<b>Total revenues</b>	<u>1,607,159</u>	<u>1,607,159</u>	<u>1,836,187</u>	<u>229,028</u>
Expenditures:				
General support	1,024,484	1,015,322	893,689	121,633
Public safety and health	25,514	25,514	19,587	5,927
Highway maintenance	158,841	158,841	201,348	(42,507)
Economic development	48,450	48,450	48,361	89
Recreation and culture	79,275	79,275	80,367	(1,092)
Home and community services	9,000	12,049	12,048	1
Employee benefits	341,700	347,813	321,999	25,814
Debt service	194,895	194,895	191,217	3,678
<b>Total expenditures</b>	<u>1,882,159</u>	<u>1,882,159</u>	<u>1,768,616</u>	<u>113,543</u>
Other Financing Sources (Uses)				
Transfers in (out)	-	-	(48,900)	(48,900)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(48,900)</u>	<u>(48,900)</u>
<b>Excess (deficit) of revenues and other sources over expenditures and other uses</b>	(275,000)	(275,000)	18,671	
<b>Fund Balance, Beginning</b>	<u>1,206,923</u>	<u>1,206,923</u>	<u>1,206,923</u>	
<b>Fund Balance, Ending</b>	<u>\$ 931,923</u>	<u>\$ 931,923</u>	<u>1,225,594</u>	

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, 2024

	<b>Budgeted Amounts</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Real property taxes	\$ 1,057,336	\$ 1,057,336	\$ 1,057,336	\$ -
Charges for services	500	500	690	190
Intergovernmental charges	90,000	90,000	103,490	13,490
Licenses and permits	56,500	56,500	62,242	5,742
Use of money and property	21,000	21,000	59,925	38,925
Miscellaneous	1,450	1,450	389	(1,061)
State sources	73,579	73,579	55,219	(18,360)
<b>Total revenues</b>	<u>1,300,365</u>	<u>1,300,365</u>	<u>1,339,291</u>	<u>38,926</u>
Expenditures:				
General support	30,000	7,976	-	7,976
Public safety and health	475,061	475,061	470,326	4,735
Highway maintenance	460,397	482,421	465,392	17,029
Recreation and culture	34,500	34,500	21,025	13,475
Home and community services	81,244	81,244	129,693	(48,449)
Employee benefits	195,600	195,600	162,646	32,954
Debt service	27,163	27,163	27,162	1
<b>Total expenditures</b>	<u>1,303,965</u>	<u>1,303,965</u>	<u>1,276,244</u>	<u>27,721</u>
Other Financing Sources (Uses):				
Transfer in (out)	<u>-</u>	<u>-</u>	<u>48,900</u>	<u>48,900</u>
<b>Excess (deficit) of revenues over expenditures and other uses</b>	<u>\$ (3,600)</u>	<u>\$ (3,600)</u>	<u>\$ 111,947</u>	
<b>Fund Balance, Beginning</b>	<u>1,107,614</u>	<u>1,107,614</u>	<u>1,107,614</u>	
<b>Fund Balance, Ending</b>	<u>\$ 1,104,014</u>	<u>\$ 1,104,014</u>	<u>1,219,561</u>	

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

**TOWN OF HARRIETSTOWN, NEW YORK**

**STATEMENT OF NET POSITION - PROPRIETARY FUND (AIRPORT)**  
**December 31, 2024**

**EXHIBIT I**

	<b>2024</b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 3,683,423
Receivables	27,562
Leases receivable - current portion (Note 16)	96,310
Prepaid expenses	108,634
Due from state and federal	302,241
Due from other funds (Note 6)	2,347
Inventory	128,371
Total current assets	<u>4,348,888</u>
Non-current assets:	
Capital assets, net of accumulated depreciation (Note 7)	17,492,787
Cash-restricted	271,509
Leases receivable - less current portion (Note 16)	397,104
Total non-current assets	<u>18,161,400</u>
Total assets	<u>22,510,288</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
Pension (Note 4)	203,211
OPEB (GASB 75)	286,097
Total deferred outflow of resources	<u>489,308</u>
Total assets and deferred outflow of resources	<u>\$ 22,999,596</u>
<b>LIABILITIES AND NET POSITION</b>	
<b><u>LIABILITIES:</u></b>	
Current liabilities:	
Accounts payable	\$ 372,535
Accrued liabilities	12,799
Sales tax payable	1,798
Deferred revenues	20,000
Due to other governments	903
Lease liability - current portion (Note 11)	5,056
Total current liabilities	<u>413,091</u>
Non-current liabilities:	
Other post employment benefits	739,207
Net pension liability - proportionate share	212,985
Lease liability - less current portion (Note 11)	16,168
Total liabilities	<u>1,381,451</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Pension (Note 4)	130,454
OPEB (GASB 75)	235,105
Leases (Note 16)	493,414
Total deferred inflow of resources	<u>858,973</u>
Total liabilities and deferred inflow of resources	<u>2,240,424</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	17,471,563
Restricted	273,920
Unrestricted	3,013,689
Total net position	<u>20,759,172</u>
Total liabilities, deferred inflow and net position	<u>\$ 22,999,596</u>

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, 2024

	2024
Operating Revenues:	
Charges for services:	
Airport Fees	\$ 351,937
Fuel & Gas	2,302,801
Airport Rentals	151,398
Miscellaneous	11,189
<b>Total operating revenues</b>	<u>2,817,325</u>
Operating expenses:	
Salaries and wages	540,253
Fringe benefits	461,803
Contractual services	266,781
Fuel	1,298,623
Repairs	201,894
Utilities	84,885
Miscellaneous	205,164
Depreciation and amortization	636,566
<b>Total operating expenses</b>	<u>3,695,969</u>
<b>Operating loss</b>	<u>(878,644)</u>
Nonoperating Income/(Expense)	
Real property taxes	461,078
Use of money and property	153,327
PFC revenue	22,206
Local support	38,500
Interest paid on lease liability	(1,115)
<b>Total nonoperating revenue</b>	<u>673,996</u>
<b>Total loss before capital grants</b>	<u>(204,648)</u>
Capital Contributions	
Federal Grants	1,343,201
State Grants	302,693
<b>Total capital contributions</b>	<u>1,645,894</u>
<b>Change in net position</b>	1,441,246
Net position, January 1	<u>19,317,926</u>
Net position, December 31	<u><u>\$ 20,759,172</u></u>

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

**TOWN OF HARRIETSTOWN, NEW YORK****Exhibit K****STATEMENT OF CASH FLOWS - PROPRIETARY FUND (AIRPORT)  
Year Ended December 31, 2024**

	<b>2024</b>
Net cash provided (used) by operating activities	
Cash received from customers	\$ 2,811,614
Cash paid to suppliers and other vendors	(2,433,741)
Cash paid for salaries and employee benefits	(935,601)
Net cash used by operating activities	<u>(557,728)</u>
Net cash provided by non-capital and financing activities	
Real property taxes	461,078
Local support	38,500
Net cash provided by non-capital and financing activities	<u>499,578</u>
Net cash provided by investing activities	
Interest income	153,327
Net cash provided by investing activities	<u>153,327</u>
Net cash provided (used) by capital and related financing activities	
Federal and State grants	2,226,664
PFC revenues	22,206
Purchase of capital assets	(1,682,953)
Principal payments on lease liability	(5,062)
Interest expense on lease liability	(1,115)
Net cash provided by capital and related financing activities	<u>559,740</u>
Net increase in cash and cash equivalents	654,917
Cash and cash equivalents, beginning of year	<u>3,300,015</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,954,932</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (878,644)
Adjustments to reconcile operating loss to net cash used by operating activities:	
GASB 68 pension adjustments	34,520
Other post employment benefits	115,514
Depreciation and amortization	636,566
Deferred inflows - leases	(83,565)
(Increase) decrease in assets:	
Receivables	(5,711)
Inventory	14,661
Prepaid expense	(96,378)
Lease receivable	83,565
Increase (decrease) in liabilities:	
Accounts Payable	(392,753)
Sales tax payable	1,698
Net cash used by operating activities	<u><u>\$ (557,728)</u></u>

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

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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.

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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.

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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:

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### BUDGETARY DATA (continued)

No later than September 30<sup>th</sup>, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1<sup>st</sup>. 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:

	<u>Special Revenue Funds</u>
Revenues included in budget comparison - Exhibit H	\$ 1,339,291
Plus revenues from Special Revenue funds excluded in budget comparison	<u>52,718</u>
Revenues per Exhibit D	<u><u>\$ 1,392,009</u></u>
 Expenditures included in budget comparison - Exhibit H	 \$ 1,276,244
Plus Expenditures from Special Revenue Funds excluded in budget comparison	 <u>50,000</u>
Expenditures per Exhibit D	<u><u>\$ 1,326,244</u></u>

##### 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.

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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### 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:

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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, 2024 of \$344,113 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 \$27,206.

**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, 2024.

**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.



## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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, 2024 and June 30, 2025, 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, 2024.

#### 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.

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### NOTE 2. CASH (continued)

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. EMPLOYEE BENEFITS

Town employees are granted vacation in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for up to 5 days of accumulated vacation at various rates.

#### 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](http://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 at 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.

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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 than 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 of 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 than 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.

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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 or exceed 3 percent.

##### Contributions

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.

TOWN OF HARRIETSTOWN, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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
2024	\$ 174,256
2023	\$ 140,069
2022	\$ 133,466

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, 2024 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, 2024 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	3/31/2024
Net Pension asset (liability)	\$ (575,480)
Town's portion of the Plan's total net pension asset (liability)	-0.0039084%
Change in proportion since prior measurement date	354,396

For the year ended December 31, 2024, the Town recognized pension expense of \$242,445 for ERS. At December 31, 2024 the Town's reported deferred outflows of resources related to pension are from the following sources:

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### NOTE 4. PENSION PLANS (continued)

	Governmental Activities <u>ERS</u>	Business-type Activities <u>ERS</u>	Total Primary Government <u>ERS</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 116,760	\$ 68,602	\$ 185,362
Changes of assumptions	137,051	80,525	217,576
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	9,726	5,715	15,441
Town's contributions subsequent to the measurement date	82,323	48,369	130,692
Total Deferred Outflows	<u>\$ 345,860</u>	<u>\$ 203,211</u>	<u>\$ 549,071</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 9,884	\$ 5,808	\$ 15,692
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	177,077	104,042	281,119
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	35,069	20,604	55,673
Total Deferred Inflows	<u>\$ 222,030</u>	<u>\$ 130,454</u>	<u>\$ 352,484</u>

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### NOTE 4. PENSION PLANS (continued)

	<u>ERS</u>
Year ended:	
2025	\$ (116,420)
2026	100,095
2027	155,036
2028	(72,816)
Total	<u>\$ 65,895</u>

#### 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:

	<u>ERS</u>
Measurement date	3/31/2024
Actuarial valuation date	4/1/2023
Interest rate	5.9%
Salary scale	4.4%
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, 2023 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:

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### NOTE 4. PENSION PLANS (continued)

	Long-Term Expected Real Rate of Return
Measurement Date	3/31/2024
Asset Type:	%
Domestic equity	4.00
International equity	6.65
Private equity	7.25
Real estate	4.60
Absolute return strategies	5.25
Credit	5.40
Real assets	5.79
Fixed income	1.50
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 from 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 share of the net pension asset/(liability)	4.9%	5.9%	6.9%
	\$ (1,809,367)	\$ (575,480)	\$ 455,072



## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2024 represent the projected employer contribution for the period of April 1, 2024 through December 31, 2024 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of December 31, 2024 amounted to \$0, as the contributions were paid early in December 2024.

#### 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 \$34,973 for 6 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>20</u>
	<u>27</u>

##### B. Total OPEB Liability

The Town's total OPEB liability of \$2,923,584 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2023.

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.7 percent
Salary Increases	3.0 percent
Discount Rate	3.26 percent
Healthcare Cost Trend Rate	7.8 percent for 2024, decreasing to a rate of 4.14 percent for 2083 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, 2023	\$ 2,520,331
<u>Changes for the Year-</u>	
Service Cost	125,531
Interest	97,471
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	231,620
Benefit payments	(51,369)
Net Changes	403,253
Balance at January 1, 2024	\$ 2,923,584

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% in 2023 to 3.26% in 2024.

*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 (2.26 percent) or 1 percentage point higher (4.26 percent) than the current discount rate:

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	\$ 3,527,351	\$ 2,923,584	\$ 2,450,695

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 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	<u>\$ 2,356,314</u>	<u>\$ 2,923,584</u>	<u>\$ 3,686,307</u>

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

For the year ended December 31, 2024, the Town recognized OPEB expense of \$245,586. At December 31, 2024, 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	\$ 7,143	\$ 669,324
Changes of assumptions or other inputs	1,131,523	723,095
Contributions subsequent to the measurement period	<u>50,679</u>	<u>-</u>
Total	<u>\$ 1,189,345</u>	<u>\$ 1,392,419</u>

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
2025	\$ 21,576
2026	36,312
2027	(5,272)
2028	(28,069)
2029	(59,106)
2030 and Thereafter	<u>(219,194)</u>
	<u>\$ (253,753)</u>

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

#### NOTE 6. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables at December 31, 2024, were as follows:

Fund Type	Interfund Receivables	Interfund Payables	Interfund Transfers In	Interfund Transfers Out
General	\$ 73,624	\$ 4,394	\$ -	\$ 48,900
Special revenue	366	-	48,900	-
Capital	-	71,943	-	-
Airport	2,347	-	-	-
Total	<u>\$ 76,337</u>	<u>\$ 76,337</u>	<u>\$ 48,900</u>	<u>\$ 48,900</u>

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.

The Town transferred \$48,900 to the sewer fund to pay for pump station upgrades.

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, 2023	Additions	Deletions	Balance December 31, 2024
Land	\$ 40,407	\$ -	\$ -	\$ 40,407
Land Improvements	32,304	11,190	-	43,494
Construction	3,865,846	126,965	-	3,992,811
Machinery & Equipment	905,714	66,563	-	972,277
Licensed Vehicles	1,135,487	-	-	1,135,487
Intangible Lease Asset	28,252	-	-	28,252
Total	<u>6,008,010</u>	<u>\$ 204,718</u>	<u>\$ -</u>	<u>6,212,728</u>
Less accumulated depreciation and amortization	<u>2,739,208</u>			<u>2,943,646</u>
	<u>\$ 3,268,802</u>			<u>\$ 3,269,082</u>

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

#### NOTE 7. CAPITAL ASSETS (continued)

Depreciation/amortization were charged to governmental functions as follows:

Depreciation/amortization charged to governmental functions:

	<u>12/31/2024</u>
General support	\$ 169,965
Home and community services	4,866
Highway maintenance	29,607
	<u>\$ 204,438</u>

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

<b>FIXED ASSETS</b>				
<b>DESCRIPTION</b>	<b>12/31/2023</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>12/31/2024</b>
Land Improvements	\$ 4,836,773	\$ 2,658,907	\$ -	\$ 7,495,680
Construction	8,492,133	-	-	8,492,133
Machinery & Equipment	4,594,093	1,986	-	4,596,079
Licensed Vehicles	1,086,027	-	-	1,086,027
Construction in Progress	6,225,318	1,683,818	2,661,758	5,247,378
Intangible Lease Asset	126,633	-	-	126,633
Total	<u>25,360,977</u>	<u>\$ 4,344,711</u>	<u>\$ 2,661,758</u>	<u>27,043,930</u>
Less accumulated depreciation and amortization	<u>8,914,577</u>			<u>9,551,143</u>
	<u>\$ 16,446,400</u>			<u>\$ 17,492,787</u>

#### 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 a copier and postal equipment. Amortization expense for these leased assets was \$4,643 in 2024.

On the business type activities (Airport), the Town leases a copier and airplane refueling equipment. Amortization expense for these leased assets was \$5,062 in 2024.

#### NOTE 8. BOND ANTICIPATION NOTE PAYABLE

The Town of Harrietstown has \$200,000 and \$130,000 in bond anticipation notes payable outstanding at December 31, 2024. The BANs mature on October 9, 2025 and December 5, 2025 respectively and carry interest at 3.69% and 4.29%. 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 2024 amounted to \$20,823.

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### NOTE 8. BOND ANTICIPATION NOTE PAYABLE (continued)

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

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Bond Anticipation Notes	\$ 440,000	\$ 330,000	\$ 440,000	\$ 330,000

BANS are comprised of the following:

Payee	Interest Rate	Date Issued	Maturity Date	Purpose	Balance 12/31/2024
Greene County Commercial Bank	3.69%	10/9/2024	10/9/2025	Improvements	\$ 200,000
Greene County Commercial Bank	4.29%	12/5/2024	12/5/2025	Improvements	130,000
					<u>\$ 330,000</u>

### NOTE 9. BONDS

Changes in bonds for the year ended December 31, 2024 follow:

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2024	\$ 605,000	\$ -	\$ 605,000
Bonds issued	-	-	-
Bonds Retired	(40,000)	-	(40,000)
Amount payable at December 31, 2024	<u>\$ 565,000</u>	<u>\$ -</u>	<u>\$ 565,000</u>

Total interest paid on the bonds for the year ended December 31, 2024 was \$20,394.

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

Year	Governmental Activities		Total
	Principal	Interest	
2025	\$ 45,000	\$ 19,294	\$ 64,294
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
2030-2034	270,000	41,919	311,919
2035-2039	60,000	2,250	62,250
	<u>\$ 565,000</u>	<u>\$ 127,038</u>	<u>\$ 692,038</u>

# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 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 2.75%-3.75%	\$ 565,000
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<b>Total Governmental Activities</b>	<u>565,000</u>
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#### Business-type Activities

None	-
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<b>Total Business-type Activities</b>	<u>-</u>
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<b>Total General Obligation Bonds</b>	<u><u>\$ 565,000</u></u>
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### NOTE 10. INSTALLMENT OBLIGATIONS

Changes in installment obligations for the year ended December 31, 2024 follow:

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2024	\$ 77,082	\$ -	\$ 77,082
Installment obligations issued	-	-	-
Installment obligation payments	(24,980)	-	(24,980)
Amount payable at December 31, 2024	<u>\$ 52,102</u>	<u>\$ -</u>	<u>\$ 52,102</u>

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

Year	Principal		Total Principal
	Governmental Activities	Business-type Activities	
2025	\$ 25,688	\$ -	\$ 25,688
2026	26,414	-	26,414
	<u>\$ 52,102</u>	<u>\$ -</u>	<u>\$ 52,102</u>

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### NOTE 10. INSTALLMENT OBLIGATIONS (continued)

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

Year	Interest		Total Interest
	Governmental Activities	Business-type Activities	
2025	\$ 1,474	\$ -	\$ 1,474
2026	748	-	748
	<u>\$ 2,222</u>	<u>\$ -</u>	<u>\$ 2,222</u>

Total Interest paid on the installment obligations for the year ended December 31, 2024 was \$2,181.

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%	\$ 52,102
<b>Total Governmental Activities</b>	<u>52,102</u>

##### **Business-type Activities**

None	-
<b>Total Business-type Activities</b>	<u>-</u>
<b>Total General Installment Obligations</b>	<u>\$ 52,102</u>



# TOWN OF HARRIETSTOWN, NEW YORK

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 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, 2024 follow:

	Governmental Activities	Business-type Activities	Totals
Amount payable at January 1, 2024	\$ 10,893	\$ 26,286	\$ 37,179
Lease issued	-	-	-
Lease payments	(4,643)	(5,062)	(9,705)
Amount payable at December 31, 2024	\$ 6,250	\$ 21,224	\$ 27,474

Interest paid was \$295 for the governmental activities and \$1,115 for the business-type activities in 2024.

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

Minimum lease payments over the next four years include:

Year	Principal		Total Principal
	Governmental Activities	Business-type Activities	
2025	\$ 3,070	\$ 5,056	\$ 8,126
2026	3,180	5,298	8,478
2027	-	5,550	5,550
2028	-	5,320	5,320
	<u>\$ 6,250</u>	<u>\$ 21,224</u>	<u>\$ 27,474</u>

Year	Interest		Total Interest
	Governmental Activities	Business-type Activities	
2025	\$ 170	\$ 884	\$ 1,054
2026	61	642	703
2027	-	390	390
2028	-	125	125
	<u>\$ 231</u>	<u>\$ 2,041</u>	<u>\$ 2,272</u>

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### 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%.	\$ 6,250
<b>Total Governmental Activities</b>	<u>6,250</u>

##### Business-type Activities

Lease for 3000 gallon jet refueler, paid in monthly installments of \$495 (includes interest) through 2028, interest at 4.67%.	21,224
<b>Total Business-type Activities</b>	<u>21,224</u>

<b>Total General Lease Liabilities</b>	<u><u>\$ 27,474</u></u>
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#### 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. As of December 31, 2024, \$37,735 remains unspent.

#### NOTE 13. STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY

The Capital Projects Fund has a deficit fund balance of \$378,998. 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

## TOWN OF HARRIETSTOWN, NEW YORK

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

#### NOTE 14. COMMITMENTS AND CONTINGENCIES (continued)

requested 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. In August of 2021, the Town entered into a consent order with the NYSDEC by which the Town agreed to undertake and finance an investigation and a remedial program. This investigation will likely take years before any remedial actions are taken. 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. In response, 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 \$8,027. The Town received payments in Lieu of Tax (PILOT) payments totaling \$7,831.

#### NOTE 16. LEASES RECEIVABLE

In 2022, the Town implemented the guidance in GASB Statement No. 87, *Leases*. This new guidance requires the Town to record assets leased to others as a lease 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 12/31/2024
Cape Air	3/1/2022	2/28/2026	0.00%	\$ 44,152
FAA	10/1/2015	9/30/2025	0.00%	3,281
Calista/ADK Hanger	1/1/2020	12/31/2029	0.00%	34,560
TSA	3/1/2022	2/28/2027	0.00%	152,165
North Country Life Flight	8/1/2024	7/31/2029	0.00%	11,352
Green Bay Inc.	8/1/2024	7/31/2029	0.00%	191,666
Indian Point Aviation	7/9/2020	7/9/2025	0.00%	56,238
				<u>\$ 493,414</u>

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

Years ending December 31,	
2025	\$ 96,310
2026	61,912
2027	55,961
2028	56,359
2029	55,742
2030-2034	155,610
2035-2039	11,520
	<u>\$ 493,414</u>

Long term lease revenue for the year ended December 31, 2024 amounted to \$95,948.

**TOWN OF HARRIETSTOWN, NEW YORK**

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

**Year Ended December 31, 2024**

	NYSERS Pension Plan Last 10 Fiscal Years*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	0.0039084%	0.0043363%	-0.0041745%	0.0039059%	0.0039140%	0.0037308%	0.0040208%	0.0041267%	0.0037593%	0.0036803%
Town's proportionate share of the net pension liability (asset)	\$ 575,480	\$ 929,876	\$ (341,250)	\$ 3,889	\$ 1,036,453	\$ 264,340	\$ 129,770	\$ 387,752	\$ 603,376	\$ 124,328
Town's covered- employee payroll	\$ 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	\$ 1,056,730
Towns proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.70%	75.53%	-28.66%	0.32%	87.57%	22.61%	11.42%	35.94%	55.43%	11.77%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	-103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

\* 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, 2024**

NYSERS Pension Plan  
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 174,256	\$ 140,069	\$ 133,466	\$ 174,809	\$ 155,793	\$ 162,459	\$ 152,685	\$ 156,048	\$ 158,792	\$ 163,956
Contributions in relation to the contractually required contribution	\$ 174,256	\$ 140,069	\$ 133,466	\$ 174,809	\$ 155,793	\$ 162,459	\$ 152,685	\$ 156,048	\$ 158,792	\$ 163,956
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 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	\$ 1,056,730
Contributions as a percentage of covered-employee payroll	13.2%	11.4%	11.2%	14.3%	13.2%	13.9%	13.4%	14.5%	14.6%	15.5%

**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, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurment Date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Service Cost	\$ 125,531	\$ 231,477	\$ 202,968	\$ 133,908	\$ 95,102	\$ 115,667	\$ 110,277
Interest	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	-	(494,087)	-	(592,395)	-	42,549	-
Changes of assumption or other inputs	231,620	(872,359)	552,301	898,804	443,305	(282,640)	99,640
Benefit payments	<u>(51,369)</u>	<u>(40,709)</u>	<u>(17,261)</u>	<u>(48,518)</u>	<u>(38,304)</u>	<u>(30,095)</u>	<u>(23,689)</u>
Net change in total OPEB liability	403,253	(1,096,816)	801,813	459,357	576,188	(86,846)	251,018
Total OPEB liability - beginning	<u>2,520,331</u>	<u>3,617,147</u>	<u>2,815,334</u>	<u>2,355,977</u>	<u>1,779,789</u>	<u>1,866,635</u>	<u>1,615,617</u>
Total OPEB liability - Ending	<u>\$ 2,923,584</u>	<u>\$ 2,520,331</u>	<u>\$ 3,617,147</u>	<u>\$ 2,815,334</u>	<u>\$ 2,355,977</u>	<u>\$ 1,779,789</u>	<u>\$ 1,866,635</u>
Covered payroll	<u>\$ 1,116,597</u>	<u>\$ 1,067,765</u>	<u>\$ 1,098,457</u>	<u>\$ 1,121,018</u>	<u>\$ 1,067,635</u>	<u>\$ 1,113,778</u>	<u>\$ 973,612</u>
Total OPEB liability as a percentage of covered payroll	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 3.72% to 3.26% 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, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing/CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Transportation</b>				
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Acquire Snow Removal Equipment				
#3-36-0105-83-22	20.106	N/A	\$ -	\$ 2,708
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
East Ramp Rehabilitation (Construction)				
#3-36-0105-81-22	20.106	N/A	-	24,147
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	-	133,062
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	-	3,736
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	-	18,346
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Taxiway B Rehabilitation (Construction)				
#3-36-0105-82-22	20.106	N/A	-	59,231
U.S. Department of Transportation				
Federal Aviation Administration - Airport Improvement Program				
Taxiway D Rehabilitation (Design)				
#3-36-0105-84-23	20.106	N/A	-	34,165
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	-	24,609

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	-	64,413
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Replace Snow Removal Equipment #3-36-0105-88-23	20.106	N/A	-	784,584
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Master Plan Update #3-36-0105-89-24	20.106	N/A	-	3,800
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Hanger Rehabilitation (Design & Construction) #3-36-0105-90-24	20.106	N/A	-	104,233
U.S. Department of Transportation Federal Aviation Administration - Airport Improvement Program Expand Terminal Apron (Design) #3-36-0105-87-23	20.106	N/A	-	86,167
Total Department of Transportation			-	1,343,201
<b>U.S. Department of the Treasury</b> Pass-Through New York State Office of the Comptroller: Covid 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	NY1615	-	130,900
Total Department of the Treasury			-	130,900
<b>U.S. Department of Housing and Urban Development</b> Pass-Through New York State Homes and Community Renewal: Community Development Block Grant	14.228	514CP114-23	50,000	50,000
Total Department of Housing and Urban Development			50,000	50,000
<b>Total Federal Expenditures</b>			\$ 50,000	\$ 1,524,101



## **TOWN OF HARRIETSTOWN**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2024**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of federal financial assistance includes the federal grant activity of the Town of Harriestown, 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 Harriestown, 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 Harriestown, 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 PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED  
AND INTEREST CREDITED**

**For the Year Ended December 31, 2024**

Passenger facility charges collected	\$ 21,026
Interest credited	<u>1,206</u>
Total collected and credited	22,232
Passenger facility charges expended	<u>-</u>
Increase in unexpended passenger facility charges	22,232
Unexpended passenger facility charges as of December 31, 2023	251,688
Prior period adjustment	<u>31</u>
Unexpended passenger facility charges as of December 31, 2024	<u><u>\$ 273,951</u></u>

**TOWN OF HARRIETSTOWN, NEW YORK**

**NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED  
AND INTEREST CREDITED  
December 31, 2024**

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**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***

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***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, 2024, 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 June 30, 2025.

#### **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 2024-001.

## **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*

June 30, 2025

# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***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, 2024. 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, 2024.

##### **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.

## 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  
June 30, 2025



**TOWN OF HARRIETSTOWN, NEW YORK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2024**

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**SECTION I - SUMMARY OF AUDIT RESULTS**

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Financial Statements

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

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	_____ yes	<u>  X  </u> no
· Reportable condition(s) identified not considered to be a material weakness?	_____ yes	<u>  X  </u> 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	<u>  X  </u> no

Identification of Major Programs

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

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk Auditee?	<u>  X  </u> yes      _____ no

**TOWN OF HARRIETSTOWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2024**

**SECTION II - FINANCIAL STATEMENTS**

**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.

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



**TOWN OF HARRIETSTOWN**  
FRANKLIN COUNTY, NEW YORK  
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**MEMBERS**  
JORDANNA MALLACH  
**COUNCIL**  
TRACEY A. SCHATZKE  
ASHLEY MILNE  
JOHN T. WILLIAMS  
JEREMY EVANS  
VAN LINDA ONE - HANSEN O. LARSEN  
SABRINA HARRISON  
KATHRYN JAFFER - GREEN  
DANIEL MARTIN  
COUNCIL - HARRISON - HARRISON  
TODD A. HAYD  
BOB F. GARRISON  
NATHAN TIGHE  
COURTNEY HARRISON  
COURTNEY HARRISON

**2024 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.

**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. Unfortunately, the town accountant was not successful in executing the corrective action plan from last year. The number of journal entries increased from 23 in 2023 to 33 in 2024. The Town Accountant needs to focus on enhancing accuracy and she also recognizes that reducing the number of journal entries during the audit process is necessary. Correcting entries will be made as soon as an error is found and all accounts will be reviewed regularly.

*Jordanna Mallach*

**TOWN OF HARRIETSTOWN  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2024**

**2023-001 Adjusting Journal Entries**

Condition: We made 23 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 2024 audit.

# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***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, 2024. 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, 2024.

#### 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.

#### Schedule of Expenditures of Passenger Facility Charges

We have audited the general-purpose financial statements of Town of Harriestown, New York as of and for the year ended December 31, 2024, and have issued our report thereon dated June 30, 2025. 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*

June 30, 2025