

Town of Pelham, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2022

Town of Pelham, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund financial statements and schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements for the year ended December 31, 2022 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America the basic financial statements of the Town as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 6, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

August 11, 2023

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Town of Pelham, New York

Management's Discussion and Analysis December 31, 2022

The purpose of Management's Discussion and Analysis ("MD&A") is to provide the reader with a summary overview of the financial activities of the Town of Pelham, New York ("Town") for the calendar year ending December 31, 2022. The MD&A is a summary and in no way is a substitute for the detailed information presented in the basic financial statements and other financial information and the accompanying notes to the financial statements that follow this section.

Financial Highlights for Calendar Year 2022

- On the government-wide financial statements, the Town had net position (liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources) of \$617,146 at calendar year end 2022. The unrestricted net position was a deficit of \$1,261,841. The Town's net position improved by \$350,133. This is a result of many factors, the largest impact was due to the improvement in the financial position of the New York State and Local Employees' Retirement System and a decrease in the other postemployment benefits liability ("OPEB").
- The Town's governmental fund, General Fund, had an ending fund balance at December 31, 2022 of \$1,820,384. The total unassigned fund balance for General Fund was \$1,361,243 at December 31, 2022.
- At December 31, 2022, the Town reported in its Statement of Net Position an asset of \$198,632 for its proportionate share of the ERS net pension asset. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

Overview of the Financial Statements

The Town's financial statements are composed of this MD&A and the basic financial statements. The MD&A serves as an introduction to the basic financial statements. The MD&A is an analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are presented in a format similar to private sector financial statements.

The components of the government-wide financial statements are as follows:

- The Statement of Net Position reports the Town's total assets, liabilities and deferred inflows/outflows of resources, and the difference, or net position. The intention is that, over time, the changes in net assets will indicate whether the Town's financial position is improving or deteriorating.
- The Statement of Activities indicates how the Town's net position changed from the prior calendar year. Changes in net position are reported as soon as the underlying event occurs, without regard to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes.

The Statement of Activities indicates the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. The governmental activities of the Town include: general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town funds can be divided into two categories: governmental funds and fiduciary funds. Governmental funds use the modified accrual basis of accounting.

Governmental Funds - are used to account for the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (including Highway Fund, Special Districts Fund and the Special Purpose Fund) and Capital Projects Fund. Information is presented separately for each fund. Individual sub-fund data for the Special Districts Fund is provided in combining statements and schedules.

The Town adopts annual appropriated budgets for the General Fund, Highway Fund and the Special Districts Fund. Budgetary comparisons have been provided in the basic financial statements to demonstrate compliance with those budgets.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of these funds are not available to support the Town's own programs. The Town maintains one type of fiduciary fund, which is the Agency Fund. The Agency Fund maintains assets held for the benefit of others.

Notes to the Financial Statements - provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

Government-wide Financial Analysis

As indicated previously, net position and changes to net position over time are expected to be a useful indicator of a government's financial position. The Town's net position at calendar year end December 31, 2022 was a negative \$617,146. Investments in capital assets, less any outstanding debt used to acquire those assets, account for the majority of the total net position. The Town uses these assets to provide services to citizens. Consequently, the assets cannot be used 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 capital assets cannot be used to liquidate these liabilities.

A summary of the Town's net position is as follows:

Governmental Activities		
Net Position		
At December 31,		
	2022	2021
Current Assets	\$ 2,582,786	\$ 2,193,524
Capital Assets, Net	644,695	637,273
Total Assets	3,227,481	2,830,797
Deferred Outflows of Resources	1,261,319	1,229,589
Current Liabilities	264,125	354,133
Long-Term Liabilities	2,471,168	3,139,663
Total Liabilities	2,735,293	3,493,796
Deferred Inflows of Resources	2,370,653	1,533,869
Net Position		
Net Investment in Capital Assets	644,695	637,273
Unrestricted	(1,261,841)	(1,604,552)
Total Net Position	\$ (617,146)	\$ (967,279)

In 2022, The Town's net position, which relates solely to governmental activities, increased by \$350,133 and is discussed in the next section.

Governmental Activities - account for the increase in the Town's net position. A summary of the Town's change in net position, at December 31, 2022 is as follows:

	2022	2021
REVENUES		
Program Revenues		
Charges for Services	\$ 2,310,494	\$ 1,727,505
Operating Grants and Contributions	26,867	92,661
General Revenues		
Real Property Taxes	1,551,070	1,814,424
Other Tax Items	186,889	138,103
Unrestricted Use of Money and Property	17,772	5,341
Sale of Property and Compensation for Loss	42,570	100,460
Unrestricted State aid	662,359	799,976
Miscellaneous	2,399	6,782
Transfers	(678,118)	(647,113)
Total Revenues	4,122,302	4,038,139
PROGRAM EXPENSES		
General Government Support	2,026,361	2,038,381
Public Safety	85,552	71,814
Health	255,908	313,788
Culture and Recreation	1,404,348	1,083,562
Total Expenses	3,772,169	3,507,545
Change in Net Position	350,133	530,594
NET POSITION		
Beginning	(967,279)	(1,497,873)
Ending	\$ (617,146)	\$ (967,279)

The major revenue categories are: Real Property Taxes 38%, Non-Property Taxes 5%, Charges for Services 56% and State Aid 16%. The major expenditure categories are: General Government Support 54%, Culture and Recreation 37%, and Health 7%.

Financial Analysis of the Town's Funds

Governmental Fund (General Fund) – are used to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financing requirements. The unassigned portion of fund balance can provide a useful measure of a government's net resources available for spending at the end of the calendar year. The Town's governmental fund reported total fund balance of \$1,820,384 and \$1,380,715 at December 31, 2022 and 2021, respectively. Approximately \$1,361,243, or about 75% of the 2022 total constitutes unassigned fund balance. The remaining fund balance is not available for new spending, because it has either been committed for 2023 or is non-spendable.

The fund balance in the Town's General Fund increased by \$439,669 during the current calendar year. The primary reason for the increase was additional fees for the Recreation Department.

General Fund Budgetary Highlights

The Town exceeded its estimated revenue in the Recreation Department by over \$698,000. This increase in fees was partially offset by additional expenditures for the related recreation programs. Overall, this area accounted for \$340,000 over the overall surplus of \$439,669.

Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for governmental activities at December 31, 2022 was \$2,544,836 net of accumulated depreciation of \$1,900,141. The investment in capital assets includes: land, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Accumulated Depreciation) December 31,

	2022	2021	Difference
Land	\$ 54,600	\$ 54,600	\$ -
Buildings and Improvements	486,193	557,547	(71,354)
Machinery and Equipment	103,902	25,126	78,776
Total Capital Assets	\$ 644,695	\$ 637,273	\$ 7,422

Additional information on the Town's capital assets is available in the Notes to Financial Statements.

Outstanding Debt - at the end of calendar year 2022, the Town had no debt outstanding.

Economic Factors and Next Year's Budget and Rates

The economic downturn continues to affect residents of the Town of Pelham. In consideration of this and in response to the Property Tax Cap, which established a tax levy limit, the Town of Pelham kept the property tax levy increase under the 2% cap.

While revenues were limited by the property tax increase, expenses such as health insurance premiums, personal services and operating supplies increased significantly. All of these factors were considered by management in preparing the Town's 2022 budget.

Requests for Information

This financial report is designed to provide a general overview of the finances of the Town of Pelham, New York. Questions about this report should be addressed to Mr. Dan McLaughlin, Town Supervisor, Town of Pelham, 34 Fifth Avenue, Pelham, New York 10803.

Town of Pelham, New York

Statement of Net Position
December 31, 2022

	Governmental Activities	Component Unit Town of Pelham Public Library
ASSETS		
Cash and equivalents	\$ 1,936,815	\$ 157,240
Restricted cash	-	107,083
Receivables		
Taxes, net	321,043	-
Accounts	-	-
Due from other governments	62,155	-
Prepaid expenses	64,141	-
Net pension asset	198,632	58,940
Capital assets		
Not being depreciated	54,600	300,000
Being depreciated, net	590,095	306,498
Total Assets	<u>3,227,481</u>	<u>929,761</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	524,260	154,548
OPEB related	737,059	104,825
Total Deferred Outflows of Resources	<u>1,261,319</u>	<u>259,373</u>
LIABILITIES		
Accounts payable	164,468	-
Due to retirement system	99,657	-
Non-current liabilities		
Due in more than one year	2,471,168	351,450
Total Liabilities	<u>2,735,293</u>	<u>351,450</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	680,908	202,048
OPEB related	1,689,745	240,316
Total Deferred Inflows of Resources	<u>2,370,653</u>	<u>442,364</u>
NET POSITION		
Investment in capital assets	644,695	606,498
Restricted for		
Capital projects	-	6,429
Trusts	-	100,654
Unrestricted	(1,261,841)	(318,261)
Total Net Position	<u>\$ (617,146)</u>	<u>\$ 395,320</u>

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

Town of Pelham, New York

Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Unit Town of Pelham Public Library
Governmental activities					
General government support	\$ 2,026,361	\$ 715,679	\$ 12,049	\$ (1,298,633)	\$ -
Public safety	85,552	227,336	12,350	154,134	-
Health	255,908	-	2,468	(253,440)	-
Culture and recreation	1,404,348	1,367,479	-	(36,869)	-
Total Governmental Activities	\$ 3,772,169	\$ 2,310,494	\$ 26,867	(1,434,808)	-
Component Unit					
Town of Pelham Public Library	\$ 836,256	\$ 4,906	\$ 160,262	-	(671,088)
General revenues					
Real property taxes				1,551,070	-
Other tax items				186,889	-
Unrestricted use of money and property				17,772	-
Sale of property and compensation for loss				42,570	-
Unrestricted State aid				662,359	-
Miscellaneous				2,399	-
Transfers				(678,118)	678,118
Total General Revenues				1,784,941	678,118
Change in Net Position				350,133	7,030
NET POSITION					
Beginning				(967,279)	388,290
Ending				\$ (617,146)	\$ 395,320

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

Town of Pelham, New York

Balance Sheet
General Fund
December 31, 2022

ASSETS

Cash and equivalents	\$ 1,936,815
Taxes receivable, net	<u>321,043</u>
Other receivables	
Due from other governments	<u>62,155</u>
Prepaid expenses	<u>64,141</u>
Total Assets	<u><u>\$ 2,384,154</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCE**

Liabilities	
Accounts payable	\$ 164,468
Due to retirement system	<u>99,657</u>
Total Liabilities	264,125
Deferred inflows of resources	
Deferred tax revenues	<u>299,645</u>
Total Liabilities and Deferred Inflows of Resources	<u>563,770</u>
Fund balance	
Nonspendable	64,141
Assigned	395,000
Unassigned	<u>1,361,243</u>
Total Fund Balance	<u>1,820,384</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 2,384,154</u></u>

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

Town of Pelham, New York

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

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

Fund Balances - Total General Fund	\$ 1,820,384
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	54,600
Capital assets - depreciable	2,490,236
Accumulated depreciation	<u>(1,900,141)</u>
	<u>644,695</u>
Differences between actual and expected experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	524,260
Deferred outflows - OPEB related	737,059
Deferred inflows - pension related	(680,908)
Deferred inflows - OPEB related	<u>(1,689,745)</u>
	<u>(1,109,334)</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset	198,632
Real property taxes	<u>299,645</u>
	<u>498,277</u>
Long-term liabilities that are not due and payable in the current period are and, therefore, not reported in the funds.	
Total OPEB liability	<u>(2,471,168)</u>
Net Position of Governmental Activities	<u>\$ (617,146)</u>

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

Town of Pelham, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance
General Fund
Year Ended December 31, 2022

REVENUES

Real property taxes	\$ 1,710,101
Other tax items	186,889
Departmental income	2,229,534
Use of money and property	98,732
Sale of property and compensation for loss	42,570
State aid	689,226
Miscellaneous	<u>2,399</u>
Total Revenues	<u>4,959,451</u>

EXPENDITURES

Current	
General government support	1,773,075
Public safety	74,990
Health	255,908
Culture and recreation	1,424,483
Employee benefits	<u>313,208</u>
Total Expenditures	<u>3,841,664</u>
Excess of Revenues Over Expenditures	1,117,787

OTHER FINANCING USES

Transfers out	<u>(678,118)</u>
Net Change in Fund Balance	439,669

FUND BALANCE

Beginning of Year	<u>1,380,715</u>
End of Year	<u>\$ 1,820,384</u>

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

Town of Pelham, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of General Fund
to the Statement of Activities
Year Ended December 31, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ 439,669
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	109,000
Depreciation expense	<u>(101,578)</u>
	<u>7,422</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(159,031)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Changes in pension liabilities and related deferred outflows and inflows of resources	50,640
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>11,433</u>
	<u>62,073</u>
Change in Net Position of Governmental Activities	<u><u>\$ 350,133</u></u>

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

Town of Pelham, New York

General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 1,685,455	\$ 1,685,455	\$ 1,710,101	\$ 24,646
Other tax items	100,000	100,000	186,889	86,889
Departmental income	1,531,182	1,531,182	2,229,534	698,352
Use of money and property	88,350	88,350	98,732	10,382
Sale of property and compensation for loss	66,330	66,330	42,570	(23,760)
State aid	490,529	490,529	689,226	198,697
Miscellaneous	64,410	64,410	2,399	(62,011)
Total Revenues	4,026,256	4,026,256	4,959,451	933,195
EXPENDITURES				
Current				
General government support	1,883,943	1,883,943	1,773,075	110,868
Public safety	73,319	73,319	74,990	(1,671)
Health	260,667	260,667	255,908	4,759
Culture and recreation	1,066,576	1,066,576	1,424,483	(357,907)
Employee benefits	469,797	469,797	313,208	156,589
Total Expenditures	3,754,302	3,754,302	3,841,664	(87,362)
Excess of Revenues Over Expenditures	271,954	271,954	1,117,787	845,833
OTHER FINANCING USES				
Transfers out	(696,954)	(696,954)	(678,118)	18,836
Net Change in Fund Balance	(425,000)	(425,000)	439,669	864,669
FUND BALANCE				
Beginning of Year	425,000	425,000	1,380,715	955,715
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820,384</u>	<u>\$ 1,820,384</u>

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

Town of Pelham New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 9,746,768
Real property taxes receivable for other governments	<u>22,587,938</u>
Total Assets	<u><u>\$ 32,334,706</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 32,334,706</u></u>

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

Town of Pelham New York

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

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 80,137,921
DEDUCTIONS	
Payments of real property taxes to other governments	<u>80,137,921</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Town of Pelham, New York (“Town”) was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer and the Town Comptroller serves as the chief financial officer. The Town provides the following services to its residents: public safety, health, culture and recreation and general and administrative support.

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

A. Financial Reporting Entity

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town’s reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the Town’s reporting entity because of their operational and financial relationship with the Town.

The Town of Pelham Public Library (“Library”) is a separate corporation chartered by the New York State Board of Regents of the State of New York. The Library and Town are linked, both having responsibilities and duties to each other. The Board of Trustees is the legislative body responsible for the overall operation of the Library and are elected for a term of five years by a majority of the elected representatives of the Town of Pelham Town Council. The Library budget is approved by the Town and the Town finances the budget through the Town General Fund. The financial statements of the Library have been included as a discretely presented component unit. Complete financial information for this component unit can be obtained from:

Library Director
Town of Pelham Public Library
530 Colonial Avenue
Pelham, New York 10803

B. Government-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) – The Fiduciary Funds are used to account for assets held by the Town on behalf of

Note 1 - Summary of Significant Accounting Policies (Continued)

others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Component Unit

The component unit is presented on the basis of accounting that most accurately reflects its activities. The Library is accounted for using the economic resources measurement focus and the accrual basis of accounting.

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

Cash and Equivalents, Investments and Risk Disclosure

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Restricted Cash - The Library's (component unit) cash includes amounts received from donors in previous years that may only be used for specific purposes. Accordingly, the cash balance of \$107,083 as of December 31, 2022 is presented as restricted cash on the balance sheet.

Taxes Receivable - Real property taxes attach as an enforceable lien and are levied on January 1st. The Town collects County, Town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. Village Taxes for the Village of Pelham and the Village of Pelham Manor for the period June 1st to May 31st are levied on June 1st and are due in two installments.

The Town guarantees the full payment of the county, school district and village warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

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

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Land is not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20 - 40
Infrastructure	20 - 40
Machinery and equipment	5 - 20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

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

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

The Town reported deferred inflows of resources of \$299,645 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to the Town's pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences - As the Town does not have a formal written policy regarding compensated absences there are no amounts accrued for unused sick or vacation time at year-end.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68".

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or delegated to the Town Comptroller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

F. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 11, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to budget workshop in mid October, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 13th.
- c) The Town Clerk shall present the tentative budget to the Town Board during the first November budget meeting.
- d) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board then files the preliminary budget with the Town Clerk, where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- e) At the public hearing, taxpayers may comment on the preliminary budget.
- f) Formal budgetary integration is employed during the year as a management control device for the General fund.
- g) Budgets for the General fund are legally adopted annually on a basis consistent with generally accepted accounting principles.
- h) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General fund lapse at the end of the fiscal year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitation

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor,” which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Excess of Actual Expenditures over Budget

The following categories of expenditures in the General Fund exceeded their budgetary provisions by the amounts indicated:

General Government Support	
Town Comptroller	\$ 12,852
Auditor	5,600
Records management	11,923
Other	102,067
Public Safety	
Constables	1,671
Culture And Recreation	
Recreation department	415,118
Celebrations	6,296

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds

A. Capital Assets

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

	Balance January 1, 2022	Additions	Balance December 31, 2022
Capital assets, not being depreciated - Land	\$ 54,600	\$ -	\$ 54,600
Capital Assets, being depreciated - Buildings and improvements	\$ 2,258,105	\$ -	\$ 2,258,105
Machinery and equipment	123,131	109,000	232,131
Total Capital Assets, being depreciated	2,381,236	109,000	2,490,236
Less Accumulated Depreciation for - Buildings and improvements	1,700,558	71,354	1,771,912
Machinery and equipment	98,005	30,224	128,229
Total Accumulated Depreciation	1,798,563	101,578	1,900,141
Total Capital Assets, being depreciated, net	\$ 582,673	\$ 7,422	\$ 590,095
Capital Assets, net	\$ 637,273	\$ 7,422	\$ 644,695

Depreciation expense of \$101,578 was charged to general government support.

Capital Assets – Component Unit

Changes in the Town of Pelham Public Library capital assets are as follows:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital assets, not being depreciated - Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital Assets, being depreciated - Buildings and improvements	\$ 1,584,065	\$ -	\$ -	\$ 1,584,065
Less Accumulated Depreciation for - Buildings and improvements	1,217,599	59,968	-	1,277,567
Total Capital Assets, being depreciated, net	\$ 366,466	\$ (59,968)	\$ -	\$ 306,498
Capital Assets, net	\$ 666,466	\$ (59,968)	\$ -	\$ 606,498

Town of Pelham, New York

Notes to Financial Statements (Continued)
 December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense of \$59,968 was charged to the Library’s culture and recreation function.

B. Long-Term Liabilities

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

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 2,326	\$ -	\$ 2,326	\$ -	\$ -
Other Post Employment Benefit Liability	3,137,337	(615,230)	50,939	2,471,168	-
Total Long-Term Liabilities	\$ 3,139,663	\$ (615,230)	\$ 53,265	\$ 2,471,168	\$ -
Component Unit:					
Net Pension Liability	\$ 848	\$ -	\$ 848	\$ -	\$ -
Other Post Employment Benefit Liability	435,568	(77,686)	6,432	351,450	-
Total Long-Term Liabilities	\$ 436,416	\$ (77,686)	\$ 7,280	\$ 351,450	\$ -

The net pension liability and other postemployment benefit liabilities are liquidated by the Town’s and Library’s (component unit) General Fund.

Pension Plans

New York State and Local Employees’ Retirement System

The Town participates in the New York State and Local Employees’ Retirement System (“ERS”). This is a cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Town of Pelham, New York

Notes to Financial Statements (Continued)
 December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	12.9
	5 A15	11.0
	6 A15	8.1

At December 31, 2022, the Town and Library (component unit) reported liabilities as follows for their proportionate share of the net pension liability (asset):

	<u>Governmental Activities</u>	<u>Component Unit</u>	<u>Total</u>
Measurement date	March 31, 2022	March 31, 2022	March 31, 2022
Net pension asset	\$ (198,632)	\$ (58,940)	\$ (257,572)
Town's/Library proportion of the net pension asset	0.0024299 %	0.0007210 %	0.0031509 %
Change in proportion since the prior measurement date	0.0000945 %	(0.0001311) %	(0.0000366) %

The net pension liability was measured as of March 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's and Library's (component unit) proportion of the net pension liability were based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2022, the Town and Library (component unit) recognized their proportionate share of pension expense in the government-wide financial statements of \$69,361 and \$12,544 respectively. Pension expenditures of \$120,000 and \$29,118 respectively were recorded in the fund financial statements and were charged to the Town's and Library's General Funds.

At December 31, 2022, the Town and Library (component unit) reported their proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	ERS			
	Governmental Activities		Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,042	\$ 19,511	\$ 4,464	\$ 5,790
Changes of assumptions	331,494	5,593	98,365	1,660
Net difference between projected and actual earnings on pension plan investments	-	650,434	-	193,005
Changes in proportion and difference between Town/Library contributions and proportionate share of contributions	100,698	5,370	29,881	1,593
Town/Library contributions subsequent to the measurement date	77,026	-	21,838	-
	<u>\$ 524,260</u>	<u>\$ 680,908</u>	<u>\$ 154,548</u>	<u>\$ 202,048</u>

\$77,026 and \$21,838 respectively were reported as deferred outflows of resources resulting from the Town's and Library's (component unit) accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended March 31,	ERS		Total
	Governmental Activities	Component Unit	
2023	\$ (9,654)	\$ (2,865)	\$ (12,519)
2024	(44,283)	(13,140)	(57,423)
2025	(151,906)	(45,076)	(196,982)
2026	(27,831)	(8,257)	(36,088)
Thereafter	-	-	-
	<u>\$ (233,674)</u>	<u>\$ (69,338)</u>	<u>\$ (303,012)</u>

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

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

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

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

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

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the net pension liability (asset)	<u>\$ 511,274</u>	<u>\$ (198,632)</u>	<u>\$ (792,433)</u>
Library's proportionate share of the net pension liability (asset)	<u>\$ 151,712</u>	<u>\$ (58,940)</u>	<u>\$ (235,141)</u>
Total Net Pension Liability (Asset)	<u>\$ 662,986</u>	<u>\$ (257,572)</u>	<u>\$ (1,027,574)</u>

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

Total pension liability	\$ 223,874,888,000
Fiduciary net position	<u>232,049,473,000</u>
Employers' net pension liability	<u>\$ (8,174,585,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>

Employer contributions are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS for the nine months ended December 31, 2022 for the Town and Library (component unit) were \$77,026 and \$21,838 respectively.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liabilities ("OPEB")

In addition to providing pension benefits, the Town and Library (component unit) provide certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town and Library may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Town and Library and the retired employee as noted below. Substantially all of the Town's and Library's employees may become eligible for those benefits if they reach normal retirement age while working for the Library. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

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

	Governmental Funds	Component Unit	Total
Inactive participants currently receiving benefits payments	9	1	10
Active participants	12	-	12
Total	21	1	22

The Town and Library's (component unit) total OPEB liability of \$2,471,168 and \$435,568 respectively were measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

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

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.31%
Healthcare cost trend rates	8.0% for 2022, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2027
Retirees' share of benefit-related costs	The Town and Library will generally contribute 100% of the medical premium amounts for individual and dependent coverage.

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

Mortality rates were based on the publication 2010 with MP-2021 projection Mortality Tables for employees and healthy annuitants.

The Town's and Library's (component unit) change in the total OPEB liability for the year ended December 31, 2022 were as follows:

	Governmental Activities	Component Unit	Total
Total OPEB Liability - Beginning of Year	\$ 3,137,337	\$ 435,568	\$ 3,572,905
Service cost	280,056	35,363	315,419
Interest	70,804	8,941	79,745
Differences between expected and actual experience	354,390	44,749	399,139
Changes in assumptions	(1,320,480)	(166,739)	(1,487,219)
Benefit payments	(50,939)	(6,432)	(57,371)
Total OPEB Liability - End of Year	\$ 2,471,168	\$ 351,450	\$ 2,822,618

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the Town and Library (component unit), as well as what the Town and Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total Town OPEB Liability	\$ 3,103,409	\$ 2,471,168	\$ 1,839,304
Total Library OPEB Liability	\$ 441,368	\$ 351,450	\$ 261,586
Total OPEB Liability	\$ 3,544,777	\$ 2,822,618	\$ 2,100,890

The following presents the total OPEB liability of the Town and Library (component unit), as well as what the Town's and Library's (component unit) total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	HealthCare Cost Trend rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total Town OPEB Liability	\$ 2,107,059	\$ 2,471,168	\$ 2,938,092
Total Library OPEB Liability	\$ 299,666	\$ 351,450	\$ 417,856
Total OPEB Liability	\$ 2,406,725	\$ 2,822,618	\$ 3,355,948

For the year ended December 31, 2022, the Town and Library (component unit), recognized OPEB expense of \$244,093 and \$40,345 respectively in the government-wide financial statements. At December 31, 2022, the Town and Library (component unit) reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities:		
Changes of assumptions	\$ 457,506	\$ 1,097,559
Difference between expected and actual experience	<u>279,553</u>	<u>592,186</u>
	<u>\$ 737,059</u>	<u>\$ 1,689,745</u>
Component Unit:		
Changes of assumptions	\$ 65,067	\$ 156,095
Difference between expected and actual experience	<u>39,758</u>	<u>84,221</u>
	<u>\$ 104,825</u>	<u>\$ 240,316</u>
Totals:		
Changes of assumptions	\$ 522,573	\$ 1,253,654
Difference between expected and actual experience	<u>319,311</u>	<u>676,407</u>
	<u>\$ 841,884</u>	<u>\$ 1,930,061</u>

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

<u>Year Ended December 31,</u>	<u>OPEB</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Component Unit</u>	
2023	\$ (296,982)	\$ (42,237)	\$ (339,219)
2024	(296,982)	(42,237)	(339,219)
2025	(296,982)	(42,237)	(339,219)
2026	(125,102)	(17,792)	(142,894)
2027	63,362	9,012	72,374
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (952,686)</u>	<u>\$ (135,491)</u>	<u>\$ (1,088,177)</u>

C. Revenues and Expenditures

Interfund Transfers

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

Town of Pelham, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers In</u> Component Unit Town of Pelham Public Library
General Fund	\$ 678,118

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Town of Pelham Public Library funds expenditures.

D. Net Position

The components of net position are detailed below:

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

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

E. Fund Balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Nonspendable:		
Prepaid expenditures	\$ 64,141	\$ 30,137
Assigned:		
Subsequent year's expenditures	395,000	425,000
Unassigned	<u>1,361,243</u>	<u>925,578</u>
Total Fund Balances	<u>\$ 1,820,384</u>	<u>\$ 1,380,715</u>

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

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

Note 3 - Detailed Notes on All Funds (Continued)

Subsequent year's expenditures represent that at December 31, 2022, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget. Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, malicious prosecution, false imprisonment or personal injury. Of the claims pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

The Town is also defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. The amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

Note 5 - Recently Issued GASB Pronouncements

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

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

Town of Pelham, New York

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:				
Service cost	\$ 315,419	\$ 325,383	\$ 252,651	\$ 247,437
Interest	79,745	80,658	107,838	109,518
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	399,139	(875,174)	(111,275)	(163,511)
Changes of assumptions	(1,487,219)	(106,465)	690,280	182,300
Benefit payments	<u>(57,371)</u>	<u>(61,344)</u>	<u>(75,130)</u>	<u>(77,973)</u>
Net Change in Total OPEB Liability	(750,287)	(636,942)	864,364	297,771
Total OPEB Liability – Beginning of Year	<u>3,572,905</u>	<u>4,209,847</u>	<u>3,345,483</u>	<u>3,047,712</u> (3)
Total OPEB Liability – End of Year	<u>\$ 2,822,618</u>	<u>\$ 3,572,905</u>	<u>\$ 4,209,847</u>	<u>\$ 3,345,483</u>
Town's covered payroll	<u>\$ 1,969,936</u>	<u>\$ 1,767,763</u>	<u>\$ 1,796,502</u>	<u>\$ 2,043,369</u>
Total OPEB liability as a percentage of covered employee payroll	<u>143%</u>	<u>202%</u>	<u>234%</u>	<u>164%</u>
Discount Rate	<u>4.31%</u>	<u>2.25%</u>	<u>1.93%</u>	<u>3.26%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

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

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

Town of Pelham, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability (Asset)
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1) (2)

Governmental Activities					
	2022	2021	2020	2019	2018
Proportion of the net pension liability (asset)	0.0024299%	0.0023354%	0.0024067%	0.0020649%	0.003058%
Proportionate share of the net pension liability (asset)	\$ (198,632)	\$ 2,326	\$ 637,312	\$ 146,302	\$ 98,695
Covered payroll	\$ 1,001,991	\$ 1,021,674	\$ 1,124,592	\$ 948,437	\$ 1,250,776
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-19.82%	0.23%	56.67%	15.43%	7.89%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%
Component Unit (Library)					
	2022	2021	2020	2019	2018
Proportion of the net pension liability (asset)	0.0007210%	0.0008521%	0.0008084%	0.0007819%	-
Proportionate share of the net pension liability (asset)	\$ (58,940)	\$ 848	\$ 214,075	\$ 55,400	\$ -
Covered payroll	\$ 297,324	\$ 372,762	\$ 377,754	\$ 359,144	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-19.82%	0.23%	56.67%	15.43%	-
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	-
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

See independent auditors' report

Town of Pelham, New York

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

Governmental Activities					
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 103,758	\$ 146,074	\$ 151,896	\$ 143,018	\$ 181,472
Contributions in relation to the contractually required contribution	<u>(103,758)</u>	<u>(146,074)</u>	<u>(151,896)</u>	<u>(143,018)</u>	<u>(181,472)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 1,027,304</u>	<u>\$ 939,558</u>	<u>\$ 1,025,062</u>	<u>\$ 1,119,491</u>	<u>\$ 1,276,933</u>
Contributions as a percentage of covered-employee payroll	<u>10.10%</u>	<u>15.55%</u>	<u>14.82%</u>	<u>12.78%</u>	<u>14.21%</u>
Component Unit (Library)					
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 29,118	\$ 50,659	\$ 45,923	\$ 54,157	\$ -
Contributions in relation to the contractually required contribution	<u>(29,118)</u>	<u>(50,659)</u>	<u>(45,923)</u>	<u>(54,157)</u>	<u>-</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	<u>\$ 395,579</u>	<u>\$ 372,762</u>	<u>\$ 395,820</u>	<u>\$ 377,591</u>	<u>\$ -</u>
Contributions as a percentage of covered-employee payroll	<u>7.36%</u>	<u>13.59%</u>	<u>11.60%</u>	<u>14.34%</u>	<u>-</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

See independent auditors' report

Town of Pelham, New York

General Fund
Comparative Balance Sheet
December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 1,936,815	1,623,289
Taxes receivable		
Town and County taxes	497,378	568,840
Allowance for uncollectible amounts	(176,335)	(90,000)
	<u>321,043</u>	<u>478,840</u>
Other receivables		
Accounts	-	7,357
Due from other governments	62,155	53,901
	<u>62,155</u>	<u>61,258</u>
Prepaid expenses	<u>64,141</u>	<u>30,137</u>
Total Assets	<u>\$ 2,384,154</u>	<u>\$ 2,193,524</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	\$ 164,468	\$ 206,584
Due to retirement system	99,657	147,549
Total Liabilities	264,125	354,133
Deferred inflows of resources		
Deferred tax revenues	<u>299,645</u>	<u>458,676</u>
Total Liabilities and Deferred Inflows of Resources	<u>563,770</u>	<u>812,809</u>
Fund balance		
Nonspendable	64,141	30,137
Assigned	395,000	425,000
Unassigned	<u>1,361,243</u>	<u>925,578</u>
Total Fund Balance	<u>1,820,384</u>	<u>1,380,715</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,384,154</u>	<u>\$ 2,193,524</u>

See independent auditors' report.

Town of Pelham New York

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

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 1,685,455	\$ 1,685,455	\$ 1,710,101	\$ 24,646
Other tax items	100,000	100,000	186,889	86,889
Departmental income	1,531,182	1,531,182	2,229,534	698,352
Use of money and property	88,350	88,350	98,732	10,382
Sale of property and compensation for loss	66,330	66,330	42,570	(23,760)
State aid	490,529	490,529	689,226	198,697
Miscellaneous	64,410	64,410	2,399	(62,011)
Total Revenues	<u>4,026,256</u>	<u>4,026,256</u>	<u>4,959,451</u>	<u>933,195</u>
EXPENDITURES				
Current				
General government support	1,883,943	1,883,943	1,773,075	110,868
Public safety	73,319	73,319	74,990	(1,671)
Health	260,667	260,667	255,908	4,759
Culture and recreation	1,066,576	1,066,576	1,424,483	(357,907)
Employee benefits	469,797	469,797	313,208	156,589
Total Expenditures	<u>3,754,302</u>	<u>3,754,302</u>	<u>3,841,664</u>	<u>(87,362)</u>
Excess of Revenues Over Expenditures	271,954	271,954	1,117,787	845,833
OTHER FINANCING USES				
Transfers out	(696,954)	(696,954)	(678,118)	18,836
Net Change in Fund Balance	(425,000)	(425,000)	439,669	864,669
FUND BALANCE				
Beginning of Year	<u>425,000</u>	<u>425,000</u>	<u>1,380,715</u>	<u>955,715</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820,384</u>	<u>\$ 1,820,384</u>

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2021

Original Budget	Final Budget	Actual	Variance with Final Budget
1,656,536	1,656,536	1,624,414	(32,122)
90,000	90,000	138,103	48,103
1,494,410	1,494,410	1,649,260	154,850
88,350	88,350	83,628	(4,722)
74,000	74,000	100,460	26,460
522,143	522,143	892,637	370,494
10,000	10,000	6,740	(3,260)
<u>3,935,439</u>	<u>3,935,439</u>	<u>4,495,242</u>	<u>559,803</u>
1,833,343	1,833,343	1,669,116	164,227
73,319	73,319	55,349	17,970
254,037	254,037	300,355	(46,318)
1,056,857	1,056,857	978,519	78,338
470,883	470,883	331,848	139,035
<u>3,688,439</u>	<u>3,688,439</u>	<u>3,335,187</u>	<u>353,252</u>
247,000	247,000	1,160,055	913,055
(667,000)	(667,000)	(647,113)	19,887
(420,000)	(420,000)	512,942	932,942
<u>420,000</u>	<u>420,000</u>	<u>867,773</u>	<u>447,773</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,380,715</u>	<u>\$ 1,380,715</u>

Town of Pelham, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
REAL PROPERTY TAXES	\$ 1,685,455	\$ 1,685,455	\$ 1,710,101	\$ 24,646	\$ 1,624,414
OTHER TAX ITEMS					
Interest and penalties on real property taxes	100,000	100,000	186,889	86,889	138,103
DEPARTMENTAL INCOME					
Tax collection fees	569,182	569,182	632,288	63,106	523,682
Town Clerk fees	4,000	4,000	2,431	(1,569)	949
Court fees	183,000	183,000	227,336	44,336	113,121
Parks and recreation charges	762,500	762,500	1,367,479	604,979	1,001,032
Planning Board fees	12,500	12,500	-	(12,500)	10,434
	<u>1,531,182</u>	<u>1,531,182</u>	<u>2,229,534</u>	<u>698,352</u>	<u>1,649,218</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	5,000	5,000	17,772	12,772	5,341
Rentals	83,350	83,350	80,960	(2,390)	78,287
	<u>88,350</u>	<u>88,350</u>	<u>98,732</u>	<u>10,382</u>	<u>83,628</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Insurance recoveries	66,330	66,330	42,570	(23,760)	100,460
STATE AID					
Per capita	80,529	80,529	80,529	-	84,556
Mortgage tax	410,000	410,000	581,830	171,830	715,420
Police other	-	-	4,853	4,853	-
PACT	-	-	2,468	2,468	85,295
STAR	-	-	12,049	12,049	-
Criminal justice	-	-	7,497	7,497	7,366
	<u>490,529</u>	<u>490,529</u>	<u>689,226</u>	<u>198,697</u>	<u>892,637</u>

(Continued)

Town of Pelham, New York

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2021 Actual</u>
MISCELLANEOUS					
Other	<u>\$ 64,410</u>	<u>\$ 64,410</u>	<u>\$ 2,399</u>	<u>\$ (62,011)</u>	<u>\$ 6,782</u>
TOTAL REVENUES	<u><u>\$ 4,026,256</u></u>	<u><u>\$ 4,026,256</u></u>	<u><u>\$ 4,959,451</u></u>	<u><u>\$ 933,195</u></u>	<u><u>\$ 4,495,242</u></u>

See independent auditors' report.

Town of Pelham, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 6,700	\$ 6,700	\$ 5,661	\$ 1,039	\$ 32,661
Town Justice	375,023	375,023	363,455	11,568	336,936
Supervisor	46,765	46,765	45,672	1,093	44,064
Town Comptroller	158,240	158,240	171,092	(12,852)	175,402
Auditor	25,000	25,000	30,600	(5,600)	36,125
Tax collection	156,254	156,254	143,860	12,394	130,305
Assessor	251,369	251,369	226,791	24,578	212,665
Town Clerk	81,674	81,674	73,737	7,937	71,418
Town Attorney	86,665	86,665	69,463	17,202	59,982
Engineer	24,372	24,372	16,216	8,156	16,731
Elections	40,843	40,843	36,506	4,337	37,035
Records management	7,600	7,600	19,523	(11,923)	14,758
Buildings	381,138	381,138	357,371	23,767	292,581
Unallocated insurance	148,000	148,000	101,821	46,179	140,254
Judgments and claims	11,000	11,000	6,955	4,045	2,574
Taxes and assessments	3,300	3,300	2,285	1,015	2,079
Other	-	-	102,067	(102,067)	63,546
Contingency	80,000	80,000	-	80,000	-
	<u>1,883,943</u>	<u>1,883,943</u>	<u>1,773,075</u>	<u>110,868</u>	<u>1,669,116</u>
PUBLIC SAFETY					
Constables	<u>73,319</u>	<u>73,319</u>	<u>74,990</u>	<u>(1,671)</u>	<u>55,349</u>
HEALTH					
Guidance	20,000	20,000	17,925	2,075	72,072
Ambulance	<u>240,667</u>	<u>240,667</u>	<u>237,983</u>	<u>2,684</u>	<u>228,283</u>
	<u>260,667</u>	<u>260,667</u>	<u>255,908</u>	<u>4,759</u>	<u>300,355</u>

(Continued)

Town of Pelham, New York

General Fund

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

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
CULTURE AND RECREATION					
Recreation department	\$ 974,487	\$ 974,487	\$ 1,389,605	\$ (415,118)	\$ 922,099
Historian	200	200	-	200	192
Celebrations	6,000	6,000	12,296	(6,296)	6,213
Recreation for elderly and handicapped	82,389	82,389	19,082	63,307	46,515
Council Pelham Art Center	3,500	3,500	3,500	-	3,500
	<u>1,066,576</u>	<u>1,066,576</u>	<u>1,424,483</u>	<u>(357,907)</u>	<u>978,519</u>
EMPLOYEE BENEFITS					
State retirement	196,733	196,733	120,020	76,713	146,345
Social security	135,000	135,000	109,081	25,919	99,200
Workers compensation	38,064	38,064	26,576	11,488	28,951
Unemployment insurance	12,000	12,000	-	12,000	-
Hospital and medical insurance	88,000	88,000	57,531	30,469	57,352
	<u>469,797</u>	<u>469,797</u>	<u>313,208</u>	<u>156,589</u>	<u>331,848</u>
TOTAL EXPENDITURES	3,754,302	3,754,302	3,841,664	(87,362)	3,335,187
OTHER FINANCING USES					
Transfers out					
Library Board	696,954	696,954	678,118	18,836	647,113
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,451,256</u>	<u>\$ 4,451,256</u>	<u>\$ 4,519,782</u>	<u>\$ (68,526)</u>	<u>\$ 3,982,300</u>

See independent auditors' report.