

**Town of Pelham, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2023



# Town of Pelham, New York

## Table of Contents

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	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion & Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - General Fund	12
Reconciliation of General Fund Balance Sheet to the Government- Wide Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of General Fund to the Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	16
Fiduciary Fund	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Financial Statements	19
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Change in the Town's and Library's (component unit) Total OPEB Liability and Related Ratios	41
New York State and Local Employees' Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	42
Schedule of Contributions	44
Individual Fund Financial Statements and Schedules	
Major Governmental Fund	
General Fund	
Schedule of Revenues Compared to Budget	46
Schedule of Expenditures and Other Financing Uses Compared to Budget	47

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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, 2023, 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, 2023, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit 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 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

August 13, 2024

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## **Town of Pelham, New York**

### **Management's Discussion and Analysis December 31, 2023**

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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, 2023. 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 2023**

- 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 \$478,945 at calendar year end 2023. The unrestricted net position was a deficit of \$1,437,892. The Town's net position improved by \$138,201. 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, 2023 of \$1,935,550. The total unassigned fund balance for General Fund was \$1,907,149 at December 31, 2023.
- At December 31, 2023, the Town reported in its Statement of Net Position a liability of \$447,722 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, 2023 was a negative \$478,945. 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:

<b>Governmental Activities</b>		
<b>Net Position</b>		
<b>At December 31,</b>		
	2023	2022
Current Assets	\$ 2,426,020	\$ 2,582,786
Capital Assets, Net	958,947	644,695
Total Assets	3,384,967	3,227,481
Deferred Outflows of Resources	1,923,528	1,261,319
Current Liabilities	235,651	264,125
Long-Term Liabilities	4,245,375	2,471,168
Total Liabilities	4,481,026	2,735,293
Deferred Inflows of Resources	1,306,414	2,370,653
Net Position		
Net Investment in Capital Assets	958,947	644,695
Unrestricted	(1,437,892)	(1,261,841)
Total Net Position	\$ (478,945)	\$ (617,146)

In 2023, The Town's net position, which relates solely to governmental activities, increased by \$138,201 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, 2023 is as follows:

<b>Changes in Net Position</b>		
<b>Year Ended December 31,</b>		
	2023	2022
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 2,285,361	\$ 2,310,494
Operating Grants and Contributions	101,746	26,867
General Revenues		
Real Property Taxes	2,041,074	1,551,070
Other Tax Items	224,604	186,889
Unrestricted Use of Money and Property	192,699	17,772
Sale of Property and Compensation for Loss	78,072	42,570
Unrestricted State aid	389,579	662,359
Miscellaneous	47,295	2,399
Transfers	(761,740)	(678,118)
Total Revenues	4,598,690	4,122,302
<b>PROGRAM EXPENSES</b>		
General Government Support	2,240,633	2,026,361
Public Safety	157,895	85,552
Health	281,006	255,908
Culture and Recreation	1,780,955	1,404,348
Total Expenses	4,460,489	3,772,169
Change in Net Position	138,201	350,133
<b>NET POSITION</b>		
Beginning	(617,146)	(967,279)
Ending	\$ (478,945)	\$ (617,146)

The major revenue categories are: Real Property Taxes 44%, Non-Property Taxes 5%, Charges for Services 50% and State Aid 8%. The major expenditure categories are: General Government Support 50%, Culture and Recreation 40%, and Health 6%.

## 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 \$1,935,550 and \$1,820,384 at December 31, 2023 and 2022, respectively. Approximately \$1,907,149, or about 98% of the 2023 total constitutes unassigned fund balance. The remaining fund balance is not available for new spending, because it has either been committed for 2024 or is non-spendable.

The fund balance in the Town's General Fund increased by \$115,166 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 \$446,000. This increase in fees was partially offset by additional expenditures for the related recreation programs. Overall, this area accounted for \$34,000 over the overall surplus of \$115,166.

### Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for governmental activities at December 31, 2023 was \$958,947 net of accumulated depreciation of \$2,047,910. The investment in capital assets includes: land, buildings and improvements, machinery and equipment and infrastructure.

#### Capital Assets (Net of Accumulated Depreciation) December 31,

	2023	2022
Land	\$ 54,600	\$ 54,600
Buildings and Improvements	414,850	486,193
Machinery and Equipment	489,497	103,902
Total Capital Assets	<u>\$ 958,947</u>	<u>\$ 644,695</u>

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

Outstanding Debt - at the end of calendar year 2023, 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, 2023

	Governmental Activities	Component Unit Town of Pelham Public Library
<b>ASSETS</b>		
Cash and equivalents	\$ 2,010,750	\$ 286,215
Restricted cash	-	57,573
Receivables		
Taxes, net	324,149	-
Accounts	7,357	-
Due from other governments	55,363	-
Prepaid expenses	28,401	-
Capital assets		
Not being depreciated	54,600	300,000
Being depreciated, net	904,347	249,038
Total Assets	<u>3,384,967</u>	<u>892,826</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	434,079	164,585
OPEB related	1,489,449	149,947
Total Deferred Outflows of Resources	<u>1,923,528</u>	<u>314,532</u>
<b>LIABILITIES</b>		
Accounts payable	40,094	-
Due to retirement system	128,456	-
Non-current liabilities		
Due in more than one year	67,101	6,755
Due in more than one year	4,245,375	556,803
Total Liabilities	<u>4,481,026</u>	<u>563,558</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	27,711	10,800
OPEB related	1,278,703	128,731
Total Deferred Inflows of Resources	<u>1,306,414</u>	<u>139,531</u>
<b>NET POSITION</b>		
Investment in capital assets	958,947	549,038
Restricted for		
Capital projects	-	6,613
Trusts	-	50,960
Unrestricted	(1,437,892)	(102,342)
Total Net Position	<u>\$ (478,945)</u>	<u>\$ 504,269</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, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue 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	\$ 2,240,633	\$ 667,515	\$ -	\$ (1,573,118)	\$ -
Public safety	157,895	196,526	101,746	140,377	-
Health	281,006	-	-	(281,006)	-
Culture and recreation	1,780,955	1,421,320	-	(359,635)	-
Total Governmental Activities	<u>\$ 4,460,489</u>	<u>\$ 2,285,361</u>	<u>\$ 101,746</u>	<u>(2,073,382)</u>	<u>-</u>
Component Unit					
Town of Pelham Public Library	<u>\$ 888,034</u>	<u>\$ 5,633</u>	<u>\$ 229,610</u>	<u>-</u>	<u>(652,791)</u>
General revenues					
Real property taxes				2,041,074	-
Other tax items				224,604	-
Unrestricted use of money and property				192,699	-
Sale of property and compensation for loss				78,072	-
Unrestricted State aid				389,579	-
Miscellaneous				47,295	-
Transfers				<u>(761,740)</u>	<u>761,740</u>
Total General Revenues and Transfers				<u>2,211,583</u>	<u>761,740</u>
Change in Net Position				138,201	108,949
<b>NET POSITION</b>					
Beginning				<u>(617,146)</u>	<u>395,320</u>
Ending				<u>\$ (478,945)</u>	<u>\$ 504,269</u>

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

**Town of Pelham, New York**

Balance Sheet  
General Fund  
December 31, 2023

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**ASSETS**

Cash and equivalents	\$ 2,010,750
Taxes receivable, net	<u>324,149</u>
Other receivables	
Accounts	7,357
Due from other governments	<u>55,363</u>
	<u>62,720</u>
Prepaid expenses	<u>28,401</u>
Total Assets	<u><u>\$ 2,426,020</u></u>

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

Liabilities	
Accounts payable	\$ 40,094
Due to retirement system	<u>128,456</u>
Total Liabilities	168,550
Deferred inflows of resources	
Deferred tax revenues	<u>321,920</u>
Total Liabilities and Deferred Inflows of Resources	<u>490,470</u>
Fund balance	
Nonspendable	28,401
Unassigned	<u>1,907,149</u>
Total Fund Balance	<u>1,935,550</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 2,426,020</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, 2023

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

Fund Balances - Total General Fund	<u>\$ 1,935,550</u>
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	2,952,257
Accumulated depreciation	<u>(2,047,910)</u>
	<u>958,947</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	434,079
Deferred outflows - OPEB related	1,489,449
Deferred inflows - pension related	(27,711)
Deferred inflows - OPEB related	<u>(1,278,703)</u>
	<u>617,114</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.	
Real property taxes	<u>321,920</u>
	<u>321,920</u>
Long-term liabilities that are not due and payable in the current period are and, therefore, not reported in the funds.	
Net pension liability	(447,722)
Total OPEB liability	<u>(3,864,754)</u>
	<u>(4,312,476)</u>
Net Position of Governmental Activities	<u><u>\$ (478,945)</u></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, 2023

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**REVENUES**

Real property taxes	\$ 1,902,654
Other tax items	340,749
Departmental income	2,198,864
Use of money and property	279,196
Sale of property and compensation for loss	78,072
State aid	491,325
Miscellaneous	47,295
Total Revenues	<u>5,338,155</u>

**EXPENDITURES**

Current	
General government support	1,785,126
Public safety	157,565
Health	654,398
Culture and recreation	1,533,041
Employee benefits	331,119
Total Expenditures	<u>4,461,249</u>
Excess of Revenues Over Expenditures	876,906

**OTHER FINANCING USES**

Transfers out	<u>(761,740)</u>
Net Change in Fund Balance	115,166

**FUND BALANCE**

Beginning of Year	<u>1,820,384</u>
End of Year	<u><u>\$ 1,935,550</u></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, 2023

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 115,166</u>
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	462,021
Depreciation expense	<u>(147,769)</u>
	<u>314,252</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>22,275</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	(83,338)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(230,154)</u>
	<u>(313,492)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 138,201</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 1,699,525	\$ 1,699,525	\$ 1,902,654	\$ 203,129
Other tax items	100,000	100,000	340,749	240,749
Departmental income	1,793,659	1,793,659	2,198,864	405,205
Use of money and property	83,214	83,214	279,196	195,982
Sale of property and compensation for loss	69,646	69,646	78,072	8,426
State aid	490,529	490,529	491,325	796
Miscellaneous	25,861	25,861	47,295	21,434
<b>Total Revenues</b>	<b>4,262,434</b>	<b>4,262,434</b>	<b>5,338,155</b>	<b>1,075,721</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,013,443	2,013,443	1,785,126	228,317
Public safety	92,934	92,934	157,565	(64,631)
Health	290,668	290,668	654,398	(363,730)
Culture and recreation	1,141,493	1,141,493	1,533,041	(391,548)
Employee benefits	403,876	403,876	331,119	72,757
<b>Total Expenditures</b>	<b>3,942,414</b>	<b>3,942,414</b>	<b>4,461,249</b>	<b>(518,835)</b>
Excess of Revenues Over Expenditures	320,020	320,020	876,906	556,886
<b>OTHER FINANCING USES</b>				
Transfers out	(715,020)	(715,020)	(761,740)	(46,720)
<b>Net Change in Fund Balance</b>	<b>(395,000)</b>	<b>(395,000)</b>	<b>115,166</b>	<b>510,166</b>
<b>FUND BALANCE</b>				
Beginning of Year	395,000	395,000	1,820,384	1,425,384
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,935,550</u>	<u>\$ 1,935,550</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, 2023

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	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 8,867,123
Real property taxes receivable for other governments	<u>24,313,739</u>
Total Assets	<u><u>\$ 33,180,862</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u><u>\$ 33,180,862</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, 2023

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Real property taxes collected for other governments	\$ 81,211,592
<b>DEDUCTIONS</b>	
Payments of real property taxes to other governments	<u>81,211,592</u>
Net Change in Fiduciary Net Position	-
<b>NET POSITION</b>	
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, 2023.

**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 \$57,573 as of December 31, 2023 is presented as restricted cash on the balance sheet.

**Taxes Receivable** - Real property taxes attach as an enforceable lien and are levied on January 1<sup>st</sup>. The Town collects County, Town and special district taxes, which are due April 1<sup>st</sup> and payable without penalty to April 30<sup>th</sup>. School taxes for the period July 1<sup>st</sup> to June 30<sup>th</sup> are levied on July 1<sup>st</sup> and are due on September 1<sup>st</sup>, with the first half payable without penalty until September 30<sup>th</sup> and the second half due the following January 1<sup>st</sup> and payable without penalty until January 31<sup>st</sup>. Village Taxes for the Village of Pelham and the Village of Pelham Manor for the period June 1<sup>st</sup> to May 31<sup>st</sup> are levied on June 1<sup>st</sup> 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 25<sup>th</sup> and satisfy the balance of forty percent by October 15<sup>th</sup>. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5<sup>th</sup>. 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.

**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 \$321,920 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, 2023

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### **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 13, 2024.

### **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 13<sup>th</sup>.
- 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	\$	1,350
Auditor		2,500
Assesor		1,527
Records management		1,767
Unallocated insurance		31,919
Other		1,615
Public Safety		
Constables		64,631
Health		
Guidance		9,116
Ambulance		354,614
Culture And Recreation		
Recreation department		412,451
Celebrations		6,385
Other Financing Uses		
Transfers out - library board		46,720

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at December 31, 2023 consisted of the following:

Town and County taxes - Current	\$	27,577
Taxes receivable - Overdue		<u>405,114</u>
		432,691
Less Allowance for uncollectible taxes		<u>(108,542)</u>
	\$	<u>324,149</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$321,920, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

**B. Capital Assets**

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

	Balance January 1, 2023	Additions	Balance December 31, 2023
Capital assets, not being depreciated - Land	<u>\$ 54,600</u>	<u>\$ -</u>	<u>\$ 54,600</u>
Capital Assets, being depreciated - Buildings and improvements	<u>\$ 2,258,105</u>	<u>\$ -</u>	<u>\$ 2,258,105</u>
Machinery and equipment	<u>232,131</u>	<u>462,021</u>	<u>694,152</u>
Total Capital Assets, being depreciated	<u>2,490,236</u>	<u>462,021</u>	<u>2,952,257</u>
Less Accumulated Depreciation for - Buildings and improvements	<u>1,771,912</u>	<u>71,343</u>	<u>1,843,255</u>
Machinery and equipment	<u>128,229</u>	<u>76,426</u>	<u>204,655</u>
Total Accumulated Depreciation	<u>1,900,141</u>	<u>147,769</u>	<u>2,047,910</u>
Total Capital Assets, being depreciated, net	<u>\$ 590,095</u>	<u>\$ 314,252</u>	<u>\$ 904,347</u>
Capital Assets, net	<u>\$ 644,695</u>	<u>\$ 314,252</u>	<u>\$ 958,947</u>

Depreciation expense of \$147,769 was charged to general government support.

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

**Capital Assets – Component Unit**

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

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
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	1,277,567	57,460	-	1,335,027
Total Capital Assets, being depreciated, net	\$ 306,498	\$ (57,460)	\$ -	\$ 249,038
Capital Assets, net	\$ 606,498	\$ (57,460)	\$ -	\$ 549,038

Depreciation expense of \$57,460 was charged to the Library’s culture and recreation function.

**C. Long-Term Liabilities**

The following table summarizes changes in the Town’s long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ -	\$ 447,722	\$ -	\$ 447,722	\$ -
Other Post Employment Benefit Liability	2,471,168	1,465,500	71,914	3,864,754	67,101
Total Long-Term Liabilities	\$ 2,471,168	\$ 1,913,222	\$ 71,914	\$ 4,312,476	\$ 67,101
Component Unit:					
Net Pension Liability	\$ -	\$ 174,482	\$ -	\$ 174,482	\$ -
Other Post Employment Benefit Liability	351,450	39,568	1,942	389,076	6,755
Total Long-Term Liabilities	\$ 351,450	\$ 214,050	\$ 1,942	\$ 563,558	\$ 6,755

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

**Note 3 - Detailed Notes on All Funds (Continued)**

**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](http://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.

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 ERS plan's year ending in March 31, 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	14.8
	5 A15	12.8
	6 A15	9.4

At December 31, 2023, the Town and Library (component unit) reported liabilities as follows for their proportionate share of the net pension liability:

	<u>Governmental Activities</u>	<u>Component Unit</u>	<u>Total</u>
Measurement date	March 31, 2023	March 31, 2023	March 31, 2023
Net pension asset	\$ 447,722	\$ 174,482	\$ 622,204
Town's/Library proportion of the net pension asset	0.0020878 %	0.0008137 %	0.0029015 %
Change in proportion since the prior measurement date	(0.0003420) %	0.0000927 %	(0.0002494) %

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

The net pension liability was measured as of March 31, 2023 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, 2023, the Town and Library (component unit) recognized their proportionate share of pension expense in the government-wide financial statements of \$201,736 and \$75,415 respectively. Pension expenditures of \$118,398 and \$43,277 respectively were recorded in the fund financial statements and were charged to the Town's and Library's General Funds.

At December 31, 2023, 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:

	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	\$ 47,686	\$ 12,574	\$ 18,584	\$ 4,900
Changes of assumptions	217,443	2,403	84,740	937
Net difference between projected and actual earnings on pension plan investments	-	2,630	-	1,025
Changes in proportion and difference between Town/Library contributions and proportionate share of contributions	73,908	10,104	28,803	3,938
Town/Library contributions subsequent to the measurement date	95,042	-	32,458	-
	<u>\$ 434,079</u>	<u>\$ 27,711</u>	<u>\$ 164,585</u>	<u>\$ 10,800</u>

\$95,042 and \$32,458 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, 2024. 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		
	Governmental Activities	Component Unit	Total
2024	\$ 89,062	\$ 34,709	\$ 123,771
2025	(4,278)	(1,667)	(5,945)
2026	101,592	39,592	141,184
2027	124,950	48,693	173,643
Thereafter	-	-	-
	<u>\$ 311,326</u>	<u>\$ 121,327</u>	<u>\$ 432,653</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

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, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.9%
Cost of living adjustments	1.5%

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

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-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, 2021.

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.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	1	0.00
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.9%.

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 3 - Detailed Notes on All Funds (Continued)**

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:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the net pension liability (asset)	<u>\$ 1,081,953</u>	<u>\$ 447,722</u>	<u>\$ (82,251)</u>
Library's proportionate share of the net pension liability (asset)	<u>\$ 421,648</u>	<u>\$ 174,482</u>	<u>\$ (32,054)</u>
Total Net Pension Liability (Asset)	<u>\$ 1,503,601</u>	<u>\$ 622,204</u>	<u>\$ (114,305)</u>

The components of the collective net pension liability as of the March 31, 2023 measurement date were as follows:

Total pension liability	\$ 232,627,259,000
Fiduciary net position	<u>211,183,223,000</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>

Employer contributions are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2023 represent the employer contribution for the period of April 1, 2023 through December 31, 2023 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, 2023 for the Town and Library (component unit) were \$95,042 and \$32,458 respectively.

**Note 3 - Detailed Notes on All Funds (Continued)**

*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 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, 2023, 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	15	-	15
<b>Total</b>	<b>24</b>	<b>1</b>	<b>25</b>

The Town and Library’s (component unit) total OPEB liability of \$3,864,754 and \$389,076 respectively were measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

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

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.00%
Healthcare cost trend rates	7.0% for 2023, decreasing by up to .5% per year to an ultimate rate of 4.5% 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.

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

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, 2023 were as follows:

	Governmental Activities	Component Unit	Total
Total OPEB Liability - Beginning of Year	\$ 2,471,168	\$ 351,450	\$ 2,822,618
Service cost	154,678	4,177	158,855
Interest	116,907	3,156	120,063
Differences between expected and actual experience	1,200,600	32,416	1,233,016
Changes in assumptions	(6,685)	(181)	(6,866)
Benefit payments	(71,914)	(1,942)	(73,856)
Total OPEB Liability - End of Year	<u>\$ 3,864,754</u>	<u>\$ 389,076</u>	<u>\$ 4,253,830</u>

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 (3.00%) or 1 percentage point higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total Town OPEB Liability	<u>\$ 4,469,237</u>	<u>\$ 3,864,754</u>	<u>\$ 3,375,959</u>
Total Library OPEB Liability	<u>\$ 449,931</u>	<u>\$ 389,076</u>	<u>\$ 339,868</u>
Total OPEB Liability	<u>\$ 4,919,168</u>	<u>\$ 4,253,830</u>	<u>\$ 3,715,827</u>

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 (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	HealthCare Cost Trend rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total Town OPEB Liability	<u>\$ 3,374,187</u>	<u>\$ 3,864,754</u>	<u>\$ 4,473,299</u>
Total Library OPEB Liability	<u>\$ 339,689</u>	<u>\$ 389,076</u>	<u>\$ 450,340</u>
Total OPEB Liability	<u>\$ 3,713,876</u>	<u>\$ 4,253,830</u>	<u>\$ 4,923,639</u>

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
December 31, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended December 31, 2023, the Town and Library (component unit), recognized OPEB expense of \$181,682 and \$3,247 respectively in the government-wide financial statements. At December 31, 2023, the Town and Library (component unit) reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities:		
Changes of assumptions	\$ 375,679	\$ 854,395
Difference between expected and actual experience	<u>1,113,770</u>	<u>424,308</u>
	<u>\$ 1,489,449</u>	<u>\$ 1,278,703</u>
Component Unit:		
Changes of assumptions	\$ 37,821	\$ 86,015
Difference between expected and actual experience	<u>112,126</u>	<u>42,716</u>
	<u>\$ 149,947</u>	<u>\$ 128,731</u>
Totals:		
Changes of assumptions	\$ 413,500	\$ 940,410
Difference between expected and actual experience	<u>1,225,896</u>	<u>467,024</u>
	<u>\$ 1,639,396</u>	<u>\$ 1,407,434</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>Governmental Activities</u>	<u>Component Unit</u>	<u>Total</u>
2024	\$ (85,392)	\$ (8,597)	\$ (93,989)
2025	(85,391)	(8,597)	(93,988)
2026	92,976	9,360	102,336
2027	288,553	29,050	317,603
2028	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 210,746</u>	<u>\$ 21,216</u>	<u>\$ 231,962</u>

**Town of Pelham, New York**

Notes to Financial Statements (Continued)  
 December 31, 2023

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**Note 3 - Detailed Notes on All Funds (Continued)**

**D. 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:

<u>Transfers Out</u>	<u>Transfers In</u> Component Unit Town of Pelham Public Library
General Fund	\$ 761,740

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

**E. Net Position**

The components of net position are detailed below:

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

*Restricted for Capital Projects* – the component of net position that reports the amounts restricted for capital projects less unexpended bond proceeds and unrestricted interest earnings.

*Restricted for Trusts* – the component of net position that reports has been established to set aside funds in accordance with the terms of the trusts.

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

**F. Fund Balances**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Nonspendable:		
Prepaid expenditures	\$ 28,401	\$ 64,141
Assigned:		
Subsequent year's expenditures	-	395,000
Unassigned	<u>1,907,149</u>	<u>1,361,243</u>
Total Fund Balances	<u>\$ 1,935,550</u>	<u>\$ 1,820,384</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Prepaid Expenditures has been established to account for retirement, 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.

Subsequent year’s expenditures represent that at December 31, 2023, 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. 101, “*Compensated Absences*” provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, “*Certain Risk Disclosures*”, the objective of this Statement is to disclose within government financial statements risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 (i.e., the City’s financial statements for the year ended December 31, 2024).

**Town of Pelham, New York**

Notes to Financial Statements (Concluded)  
December 31, 2023

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**Note 5 - Recently Issued GASB Pronouncements (Continued)**

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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 of this and other pronouncements may have on its financial statements and will implement them if applicable and when material.

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**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:					
Service cost	\$ 158,855	\$ 315,419	\$ 325,383	\$ 252,651	\$ 247,437
Interest	120,063	79,745	80,658	107,838	109,518
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,233,016	399,139	(875,174)	(111,275)	(163,511)
Changes of assumptions	(6,866)	(1,487,219)	(106,465)	690,280	182,300
Benefit payments	<u>(73,856)</u>	<u>(57,371)</u>	<u>(61,344)</u>	<u>(75,130)</u>	<u>(77,973)</u>
Net Change in Total OPEB Liability	1,431,212	(750,287)	(636,942)	864,364	297,771
Total OPEB Liability – Beginning of Year	<u>2,822,618</u>	<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>\$ 4,253,830</u>	<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>\$ 2,202,305</u>	<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>193%</u>	<u>143%</u>	<u>202%</u>	<u>234%</u>	<u>164%</u>
Discount Rate	<u>4.00%</u>	<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			
	2023 (4)	2022 (3)	2021
Proportion of the net pension liability (asset)	0.0020878%	0.0024299%	0.0023354%
Proportionate share of the net pension liability (asset)	\$ 447,722	\$ (198,632)	\$ 2,326
Covered payroll	\$ 1,076,090	\$ 1,001,991	\$ 1,021,674
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.61%	-19.82%	0.23%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%
Discount Rate	5.90%	5.90%	5.90%

Component Unit (Library)			
	2023	2022	2021
Proportion of the net pension liability (asset)	0.0008137%	0.0007210%	0.0008521%
Proportionate share of the net pension liability (asset)	\$ 174,482	\$ (58,940)	\$ 848
Covered payroll	\$ 419,363	\$ 297,324	\$ 372,762
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.61%	-19.82%	0.23%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%
Discount Rate	5.90%	5.90%	5.90%

(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.

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

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<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>0.0024067%</u>	<u>0.0020649%</u>	<u>0.003058%</u>
<u>\$ 637,312</u>	<u>\$ 146,302</u>	<u>\$ 98,695</u>
<u>\$ 1,124,592</u>	<u>\$ 948,437</u>	<u>\$ 1,250,776</u>
<u>56.67%</u>	<u>15.43%</u>	<u>7.89%</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>

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<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>0.0008084%</u>	<u>0.0007819%</u>	<u>-</u>
<u>\$ 214,075</u>	<u>\$ 55,400</u>	<u>\$ -</u>
<u>\$ 377,754</u>	<u>\$ 359,144</u>	<u>\$ -</u>
<u>56.67%</u>	<u>15.43%</u>	<u>-</u>
<u>86.39%</u>	<u>96.27%</u>	<u>-</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>

**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			
	2023	2022	2021
Contractually required contribution	\$ 127,998	\$ 103,758	\$ 146,074
Contributions in relation to the contractually required contribution	<u>(127,998)</u>	<u>(103,758)</u>	<u>(146,074)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 1,151,068</u>	<u>\$ 1,027,304</u>	<u>\$ 939,558</u>
Contributions as a percentage of covered-employee payroll	<u>11.12%</u>	<u>10.10%</u>	<u>15.55%</u>

Component Unit (Library)			
	2023	2022	2021
Contractually required contribution	\$ 43,277	\$ 29,118	\$ 50,659
Contributions in relation to the contractually required contribution	<u>(43,277)</u>	<u>(29,118)</u>	<u>(50,659)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	<u>\$ 450,827</u>	<u>\$ 395,579</u>	<u>\$ 372,762</u>
Contributions as a percentage of covered-employee payroll	<u>9.60%</u>	<u>7.36%</u>	<u>13.59%</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

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<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 151,896	\$ 143,018	\$ 181,472
<u>(151,896)</u>	<u>(143,018)</u>	<u>(181,472)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 1,025,062</u>	<u>\$ 1,119,491</u>	<u>\$ 1,276,933</u>
<u>14.82%</u>	<u>12.78%</u>	<u>14.21%</u>

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<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 45,923	\$ 54,157	\$ -
<u>(45,923)</u>	<u>(54,157)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 395,820</u>	<u>\$ 377,591</u>	<u>\$ -</u>
<u>11.60%</u>	<u>14.34%</u>	<u>-</u>

**Town of Pelham, New York**

General Fund  
 Schedule of Revenues Compared to Budget  
 Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	\$ 1,699,525	\$ 1,699,525	\$ 1,902,654	\$ 203,129
<b>OTHER TAX ITEMS</b>				
Interest and penalties on real property taxes	100,000	100,000	340,749	240,749
<b>DEPARTMENTAL INCOME</b>				
Tax collection fees	576,789	576,789	572,656	(4,133)
Town Clerk fees	5,000	5,000	8,362	3,362
Court fees	229,470	229,470	196,526	(32,944)
Parks and recreation charges	974,700	974,700	1,421,320	446,620
Planning Board fees	7,700	7,700	-	(7,700)
	<u>1,793,659</u>	<u>1,793,659</u>	<u>2,198,864</u>	<u>405,205</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	5,000	5,000	192,699	187,699
Rentals	78,214	78,214	86,497	8,283
	<u>83,214</u>	<u>83,214</u>	<u>279,196</u>	<u>195,982</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	69,646	69,646	78,072	8,426
<b>STATE AID</b>				
Per capita	80,529	80,529	80,529	-
Mortgage tax	410,000	410,000	309,050	(100,950)
Criminal justice	-	-	101,746	101,746
	<u>490,529</u>	<u>490,529</u>	<u>491,325</u>	<u>796</u>
<b>MISCELLANEOUS</b>				
Other	25,861	25,861	47,295	21,434
<b>TOTAL REVENUES</b>	<u>\$ 4,262,434</u>	<u>\$ 4,262,434</u>	<u>\$ 5,338,155</u>	<u>\$ 1,075,721</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT SUPPORT</b>				
Town Board	\$ 6,700	\$ 6,700	\$ 6,090	\$ 610
Town Justice	385,357	385,357	374,806	10,551
Supervisor	52,089	52,089	49,544	2,545
Town Comptroller	177,979	177,979	179,329	(1,350)
Auditor	26,950	26,950	29,450	(2,500)
Tax collection	183,140	183,140	161,720	21,420
Assessor	251,377	251,377	252,904	(1,527)
Town Clerk	87,864	87,864	82,187	5,677
Town Attorney	88,323	88,323	60,782	27,541
Engineer	24,584	24,584	22,334	2,250
Elections	37,468	37,468	15,838	21,630
Records management	20,000	20,000	21,767	(1,767)
Buildings	392,312	392,312	327,179	65,133
Unallocated insurance	165,000	165,000	196,919	(31,919)
Judgments and claims	11,000	11,000	322	10,678
Taxes and assessments	3,300	3,300	2,340	960
Other	-	-	1,615	(1,615)
Contingency	100,000	100,000	-	100,000
	<u>2,013,443</u>	<u>2,013,443</u>	<u>1,785,126</u>	<u>228,317</u>
<b>PUBLIC SAFETY</b>				
Constables	<u>92,934</u>	<u>92,934</u>	<u>157,565</u>	<u>(64,631)</u>
<b>HEALTH</b>				
Guidance	20,000	20,000	29,116	(9,116)
Ambulance	<u>270,668</u>	<u>270,668</u>	<u>625,282</u>	<u>(354,614)</u>
	<u>290,668</u>	<u>290,668</u>	<u>654,398</u>	<u>(363,730)</u>
<b>CULTURE AND RECREATION</b>				
Recreation department	1,062,232	1,062,232	1,474,683	(412,451)
Historian	20,200	20,200	17,529	2,671
Celebrations	6,000	6,000	12,385	(6,385)
Recreation for elderly and handicapped	49,561	49,561	24,944	24,617
Council Pelham Art Center	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
	<u>1,141,493</u>	<u>1,141,493</u>	<u>1,533,041</u>	<u>(391,548)</u>

**Town of Pelham, New York**

General Fund

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

Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EMPLOYEE BENEFITS</b>				
State retirement	\$ 132,876	\$ 132,876	\$ 118,398	\$ 14,478
Social security	135,000	135,000	119,595	15,405
Workers compensation	36,000	36,000	22,227	13,773
Unemployment insurance	12,000	12,000	-	12,000
Hospital and medical insurance	88,000	88,000	70,899	17,101
	<u>403,876</u>	<u>403,876</u>	<u>331,119</u>	<u>72,757</u>
<b>TOTAL EXPENDITURES</b>	3,942,414	3,942,414	4,461,249	(518,835)
<b>OTHER FINANCING USES</b>				
Transfers out				
Library Board	<u>715,020</u>	<u>715,020</u>	<u>761,740</u>	<u>(46,720)</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 4,657,434</u>	<u>\$ 4,657,434</u>	<u>\$ 5,222,989</u>	<u>\$ (565,555)</u>

See independent auditors' report.