

TOWN OF NISKAYUNA, NEW YORK

**Financial Statements
As of and for the Year Ended
December 31, 2024
Together with
Independent Auditor's Reports**

TOWN OF NISKAYUNA, NEW YORK

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TOWN OF NISKAYUNA, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

June 24, 2026

To the Honorable Supervisor and Town Board of the
Town of Niskayuna, New York:

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental funds, fiduciary fund types, proprietary fund types of the Town of Niskayuna (Town), New York as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Capital Project Fund	Unmodified
Highway Fund	Unmodified
Sewer Fund	Unmodified
Water Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matters discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, the financial statements referred to above do not present fairly to the financial position of the governmental activities of the Town as of December 31, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town as of December 31, 2024 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 adverse and unmodified audit opinions.

(Continued)

INDEPENDENT AUDITOR'S REPORT(Continued)

Matters Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 1 to the financial statements, the Town records and tracks capital assets at cost or estimated historical cost with no allowance for depreciation. Accounting principles generally accepted in the United States of America require that capital assets be recorded at cost and depreciated over their estimated useful lives which would decrease the assets and net position while increasing expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

As discussed in Note 1 to the financial statements, the Town has not implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which requires recognition of certain compensated absences liabilities as benefits are earned. Accounting principles generally accepted in the United States of America require such implementation. The amounts by which this departure affects the assets, liabilities, net position, and expenses of the Town have not been determined.

Emphasis of Matter – Restatement of Previously Issued Financial Statements

As described in Note 15 to the financial statements, management of the Town discovered errors in the December 31, 2023 financial statements and also changed its method of revenue recognition to more accurately present its financial statements. Accordingly, an adjustment was made as of January 1, 2024 to restate fund balance. Our opinion is not modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 the budgetary comparison information, and schedules of changes in total OPEB liability and related ratios, proportionate share of net pension liability (asset), and contributions – pension plan 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

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 accompanying combining and individual non-major fund financial statements 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 combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of revenues, expenditures, and changes in fund balance – budget and actual: highway, water and sewer funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Bonadvis & Co. LLP

TOWN OF NISKAYUNA, NEW YORK**STATEMENT OF NET POSITION
DECEMBER 31, 2024****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents - unrestricted	\$ 9,058,439
Cash and cash equivalents - restricted	4,333,336
Accounts receivable	2,723,899
State and federal receivable	292,230
Due from other governments	1,202,835
Prepaid expenses	443,641
Lease receivable, current portion	68,149
Total current assets	<u>18,122,529</u>

NONCURRENT ASSETS:

Lease receivable, non-current portion	1,572,124
Capital assets	<u>50,283,426</u>
Total noncurrent assets	<u>51,855,550</u>
Total assets	<u>69,978,079</u>

DEFERRED OUTFLOWS OF RESOURCES

ERS pension	3,002,190
PFRS pension	2,886,007
OPEB	<u>3,234,670</u>
Total deferred outflows of resources	<u>9,122,867</u>

LIABILITIES**CURRENT LIABILITIES:**

Accounts payable	3,052,780
Accrued liabilities	275,275
Accrued interest	417,145
Due to other governments	13
Unearned revenue	210,094
Bond anticipation notes payable	3,236,845
Other liabilities	90,753
Current portion of total OPEB liability	1,002,764
Current portion of bonds payable	<u>1,645,609</u>
Total current liabilities	<u>9,931,278</u>

LONG-TERM LIABILITIES:

Long-term portion of bonds payable	32,727,949
Claims and judgment payable	446,131
Total OPEB liability	27,987,472
Net pension liability - ERS	3,147,683
Net pension liability - PFRS	3,219,463
Compensated absences	<u>939,575</u>
Total long-term liabilities	<u>68,468,273</u>

TOTAL LIABILITIES78,399,551**DEFERRED INFLOWS OF RESOURCES**

OPEB	26,337,879
ERS pension	1,696,663
PFRS pension	1,125,047
Leases	<u>1,532,749</u>
Total deferred inflows of resources	<u>30,692,338</u>

NET POSITION

Net investment in capital assets	14,245,147
Restricted	5,619,888
Unrestricted	<u>(49,855,978)</u>
Total net position	<u>\$ (29,990,943)</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities -					
General governmental support	\$ 1,922,227	\$ 1,145,286	\$ 832,485	\$ -	\$ 55,544
Public safety	5,201,850	104,141	67,769	-	(5,029,940)
Public health	32,710	42,032	-	-	9,322
Transportation	3,449,664	10,635	318,387	-	(3,120,642)
Economic assistance and opportunity	1,000	-	-	-	(1,000)
Culture and recreation	1,770,180	272,492	-	150,798	(1,346,890)
Home and community services	10,640,758	7,923,196	920,282	-	(1,797,280)
Interest on long-term debt	1,291,887	-	-	-	(1,291,887)
Total governmental activities	<u>\$ 24,310,276</u>	<u>\$ 9,497,782</u>	<u>\$ 2,138,923</u>	<u>\$ 150,798</u>	<u>(12,522,773)</u>
GENERAL REVENUES:					
Real property taxes and real property tax items					12,742,099
Nonproperty tax items					3,740,294
Other tax items					338,285
Use of money and property					1,219,987
Sale of property and compensation for loss					93,643
Miscellaneous					<u>273,836</u>
Total general revenues					<u>18,408,144</u>
Change in net position					5,885,371
Net position - beginning of year (Note 2)					<u>(35,876,314)</u>
Net position - end of year					<u>\$ (29,990,943)</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

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

	Major Funds						Total
	General Fund	Capital Projects Fund	Highway Fund	Water Fund	Sewer Fund	Non-major Funds	
ASSETS:							
Cash and cash equivalents	\$ 3,538,262	\$ 1,271,565	\$ 1,989,164	\$ 645,185	\$ 889,573	\$ 724,690	\$ 9,058,439
Cash - restricted	142,698	-	652,797	2,236,616	1,066,401	-	4,098,512
Accounts receivable	425,992	-	675	1,163,031	1,131,872	2,329	2,723,899
Lease receivable	440,529	-	-	1,199,744	-	-	1,640,273
Prepaid expenditures	319,282	-	44,258	37,132	42,057	912	443,641
State and federal aid receivable	-	292,230	-	-	-	-	292,230
Due from other funds	161,990	-	-	-	-	-	161,990
Due from other governments	1,202,835	-	-	-	-	-	1,202,835
Total assets	\$ 6,231,588	\$ 1,563,795	\$ 2,686,894	\$ 5,281,708	\$ 3,129,903	\$ 727,931	\$ 19,621,819
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 860,134	\$ -	\$ 60,175	\$ 1,374,949	\$ 796,853	\$ 1,120	\$ 3,093,231
Due to other funds	-	161,990	-	-	-	-	161,990
Due to other governments	-	-	-	13	-	-	13
Unearned revenue	184,377	-	-	-	-	25,717	210,094
Bond anticipation notes payable	-	3,236,845	-	-	-	-	3,236,845
Other liabilities	90,753	-	-	-	-	-	90,753
Total liabilities	1,135,264	3,398,835	60,175	1,374,962	796,853	26,837	6,792,926
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflow	535,678	-	-	1,124,779	-	-	1,660,457
Total deferred inflows of resources	535,678	-	-	1,124,779	-	-	1,660,457
FUND BALANCE:							
Non-spendable	319,282	-	44,258	37,132	42,057	912	443,641
Restricted	142,698	-	652,797	2,236,616	2,103,595	484,182	5,619,888
Assigned - appropriated for subsequent year's expenditures	646,221	-	1,662,515	400,000	-	-	2,708,736
Assigned - other	613,229	-	267,149	108,219	187,398	216,000	1,391,995
Unassigned	2,839,216	(1,835,040)	-	-	-	-	1,004,176
Total fund balance	4,560,646	(1,835,040)	2,626,719	2,781,967	2,333,050	701,094	11,168,436
Total liabilities, deferred inflows and fund balance	\$ 6,231,588	\$ 1,563,795	\$ 2,686,894	\$ 5,281,708	\$ 3,129,903	\$ 727,931	\$ 19,621,819

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2024

Total fund balance - governmental funds	\$ 11,168,436
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	50,283,426
Pension related government-wide activity	
Deferred outflows of resources - ERS	3,002,190
Deferred outflows of resources - PFRS	2,886,007
Net pension liability - ERS	(3,147,683)
Net pension liability - PFRS	(3,219,463)
Deferred inflows of resources - ERS	(1,696,663)
Deferred inflows of resources - PFRS	(1,125,047)
OPEB related government-wide activity	
Deferred outflow - OPEB	3,234,670
OPEB liability	(28,990,236)
Deferred inflow - OPEB	(26,337,879)
Revenue not received within availability period is not recognized in the governmental funds but is recognized in the statement of activities	127,708
Bonds payable and other noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(34,373,558)
Compensated absences	(939,575)
Claims and judgment payable	(446,131)
Accrued interest on long-term debt is an expense in the funds when paid, but a liability in the statement of net position when incurred.	<u>(417,145)</u>
Total net position of governmental activities	<u>\$ (29,990,943)</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Major Funds						
	General Fund	Capital Projects Fund	Highway Fund	Water Fund	Sewer Fund	Non Major Funds	Total
REVENUES:							
Real property taxes	\$ 5,006,964	\$ -	\$ 3,868,853	\$ 1,083,212	\$ 2,344,591	\$ 206,808	\$ 12,510,428
Other tax items	244,931	-	93,354	-	-	-	338,285
Nonproperty tax items	3,740,294	-	-	-	-	-	3,740,294
Franchise fees	323,340	-	-	-	-	-	323,340
Departmental income	880,572	-	-	3,877,277	3,582,116	-	8,339,965
Intergovernmental charges	61,160	-	-	-	7,018	-	68,178
Use of money and property	477,286	-	227,672	336,239	158,796	19,994	1,219,987
Licenses and permits	537,376	-	10,635	-	-	-	548,011
Fines and forfeitures	218,288	-	-	-	-	-	218,288
Sale of property and compensation for loss	47,963	-	20,630	24,266	784	-	93,643
State aid	772,546	150,798	318,387	-	-	-	1,241,731
Federal aid	-	-	-	-	-	920,282	920,282
Miscellaneous	146,580	-	24,605	6,194	65,505	-	242,884
Total revenues	12,457,300	150,798	4,564,136	5,327,188	6,158,810	1,147,084	29,805,316
EXPENDITURES:							
General governmental support	1,985,901	1,200	-	-	-	-	1,987,101
Public safety	4,587,080	19,860	-	-	-	-	4,606,940
Health	28,213	-	-	-	-	-	28,213
Transportation	327,075	5,387	3,321,877	-	-	32,913	3,687,252
Economic opportunity and development	1,000	-	-	-	-	-	1,000
Culture and recreation	1,523,335	144,589	-	-	-	14,787	1,682,711
Home and community services	943,371	585,842	-	4,265,453	3,443,402	947,532	10,185,600
Employee benefits	3,536,944	-	763,350	554,313	559,206	7,477	5,421,290
Debt service -							
Principal	467,066	-	502,127	786,002	1,392,661	-	3,147,856
Interest	56,249	-	42,688	271,846	976,934	-	1,347,717
Total expenditures	13,456,234	756,878	4,630,042	5,877,614	6,372,203	1,002,709	32,095,680
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(998,934)	(606,080)	(65,906)	(550,426)	(213,393)	144,375	(2,290,364)
OTHER FINANCING SOURCES (USES):							
Transfers in	155,576	416,697	7	-	-	-	572,280
Transfers out	(416,697)	(126,111)	-	-	-	(29,472)	(572,280)
Premium on issuance of debt	1,630	-	9,199	18,850	1,273	-	30,952
BANs redeemed from appropriations	-	1,507,644	-	-	-	-	1,507,644
Total other financing sources and uses	(259,491)	1,798,230	9,206	18,850	1,273	(29,472)	1,538,596
CHANGE IN FUND BALANCE	(1,258,425)	1,192,150	(56,700)	(531,576)	(212,120)	114,903	(751,768)
FUND BALANCE - beginning of year	5,796,193	(3,251,772)	2,683,419	3,024,685	2,431,725	586,191	11,270,441
RESTATEMENT (Note 15)	22,878	224,582	-	288,858	113,445	-	649,763
FUND BALANCE - beginning of year, restated	5,819,071	(3,027,190)	2,683,419	3,313,543	2,545,170	586,191	11,920,204
FUND BALANCE - end of year	\$ 4,560,646	\$ (1,835,040)	\$ 2,626,719	\$ 2,781,967	\$ 2,333,050	\$ 701,094	\$ 11,168,436

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - governmental funds	\$	(751,768)
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position, net of disposals		912,153
Pension expense resulting from GASB 68 related reporting is not recorded in the governmental funds but is recorded in the statement of activities		(736,833)
Other postemployment expense resulting from GASB 75 related reporting is not recorded as an expenditure in the governmental funds but is recorded in the statement of activities		4,408,910
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position		1,659,549
Principal payments on BANs are recorded as expenditures in the governmental funds but are recorded as reductions of liabilities in the statement of activities		1,507,644
BANs redeemed from appropriations are recorded as revenues in the governmental funds but are recorded as payments of liabilities in the statement of activities		(1,507,644)
Revenue not received within 90-days of year-end is not recognized in the governmental funds but is recognized in the statement of activities		127,708
Long-term liabilities such as judgments and claims are not due and payable in the current period and, therefore, are not reported in the funds		231,671
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore not reported as changes to expenditures in the governmental funds:		
Accrued interest payable		55,830
Compensated absences		(21,849)
Change in net position of governmental activities	\$	<u>5,885,371</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF NET POSITION - PROPRIETARY FUNDS DECEMBER 31, 2024

	Governmental Activities
	Self-Insurance Fund
ASSETS	
Cash - Restricted	\$ 234,824
Total assets	<u>234,824</u>
LIABILITIES	
Accounts payable	<u>234,824</u>
Total liabilities	<u>234,824</u>
NET POSITION	
Restricted	<u>-</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Activities
	Self-Insurance Fund
REVENUES	
Use of money and property	\$ -
Total revenues	-
EXPENSES	
General governmental support	-
Employee benefits	-
Total expenses	-
Net changes in proprietary net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Activities
	Self-Insurance Fund
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	
Cash paid for contractual expenses	<u>(71,387)</u>
Net cash provided (used) by operating activities	<u>(71,387)</u>
Net increase (decrease) in cash and cash equivalents	(71,387)
CASH AND CASH EQUIVALENTS, beginning of year	<u>306,211</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 234,824</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Changes in operating assets and liabilities	
Accounts payable and accrued expenses	(71,387)
Claims and judgment payable	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ (71,387)</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND DECEMBER 31, 2024

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ -
NET POSITION	
Restricted:	
Other	<u>-</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Bail	\$ 3
Property tax collections - other governments	<u>78,754,804</u>
Total additions	<u>78,754,807</u>
DEDUCTIONS	
Bail	20,010
Property tax collections - other governments	<u>78,754,804</u>
Total deductions	<u>78,774,814</u>
Net changes in fiduciary net position	(20,007)
Net position, beginning of year	<u>20,007</u>
Net position, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF NISKAYUNA, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Niskayuna (Town) was established in 1809 and operates in accordance with Town Law and other general laws of the State of New York. The Town Board is the legislative body responsible for overall operations. The Town Supervisor serves as the chief executive officer and chief fiscal officer of the Town. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The following is a summary of the Town's more significant accounting policies:

Financial Statement Presentation

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

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 primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in generally accepted accounting principles.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability.

A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of these criteria, the Town has determined that there are no component units to be included in the Town's reporting entity.

Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds and non-major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Town's services are classified as governmental activities.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Statements (Continued)

In the government-wide statement of net position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first uses restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The statement of activities reduces the gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

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. The Town maintains proprietary and fiduciary funds, which are reported by type. The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Types and Account Groups

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 Town has the following major governmental funds.

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types and Account Groups (Continued)

Governmental Funds – (Continued)

- Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.
- Highway Fund – The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of the highway fund are real property taxes, intergovernmental charges and state aid.
- Water Fund – The Water Fund is used to account for the financial resources used associated with providing water treatment and transportation.
- Sewer Fund – The Sewer Fund is used to account for the financial resources used associated with providing sewage treatment services. The Sewer Fund is comprised of two funds – Sewer District 1 and Sewer District 6.

The Town has the following non-major governmental funds:

- Special Grants Fund – The Special Grants Fund is used to account for funds received from the federal government to operate a public housing program for eligible low-income families and the elderly through an authorized public housing agency and other grant funds.
- Drainage Fund – The Drainage Fund is used to record the taxes levied in the drainage district and the expenditures made. The Town has twenty-six drainage district funds.
- Park Fund – The Park Fund is used to record the taxes levied in the park districts and the expenditures made. The Town has eight park district funds.
- Lighting Fund – The Lighting Fund is used to record the taxes levied in the lighting district and the expenditures made to the utility company providing the lighting for the district. The Town has eight lighting district funds.

Proprietary Funds – Proprietary funds include the Town's self-insurance fund. The Town has established a Self-Insurance Fund to account for its workers' compensation program.

Custodial Fund – The custodial fund is used to account for assets held by the Town in a trustee or custodial capacity. The Town's custodial fund is used to account for assets held on behalf of outside parties, including other governments.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types and Account Groups (Continued)

Governmental Funds – (Continued)

Accrual Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources focus means all assets and all liabilities associated with the operation (whether current or non-current) of the Town are included in the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total assets. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis of Accounting

The governmental funds are accounted for using the modified accrual basis with a current financial resources focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, within 90 days, to be used to pay liabilities of the current period.

In applying the susceptible-to-accrual concept to State and Federal Aid, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

Sales tax is recorded when it is susceptible to accrual. Fines, forfeitures, and miscellaneous local source revenues are recorded when received in cash because they are generally not measurable until actually received. Inter-governmental revenues are accrued when their receipt occurs within 90 days of the end of the accounting period and such amounts relate to the current period. Departmental income, which consists principally of revenues generated from providing Town water and sewer services, are recorded annually when the meters are read, and billings are generated.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis of Accounting (Continued)

The Town reports unearned revenue for certain revenues other than property taxes. Unearned revenues may arise when the Town receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the combining balance sheet and revenue is recognized.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the purchase method, as opposed to the consumption method used in the government-wide financial statements.
- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as sick leave and compensatory time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the leave credits are used by employees.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

Use of Estimates

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

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand deposit accounts and amounts with the New York Cooperative Liquid Asset Securities System (NYCLASS). The Town's deposit and investment policies are governed by State statutes and various resolutions of the Town Board. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies and obligations of New York State or its localities.

Collateral is required for demand deposits and time and saving 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. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Receivables are stated at net realizable value. Town management has deemed the amounts to be fully collectible for the year ended December 31, 2024.

Prepaid Expenditures/Expenses

Prepaid expenditures/expenses represent payments made by the Town for which benefits extend beyond year-end.

Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. Permanent transfers of funds include the transfer of expenditures and revenues to provide other services.

The amounts reported on the balance sheet - governmental funds for interfund receivables and payables represent amounts due between different fund types (governmental activities). The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the balance sheet – governmental funds when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are reported at estimated fair value on the date received.

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.

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 sheets.

Capital assets are not depreciated (this is a GAAP departure).

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Town employees are granted vacation, sick leave, and earn compensated absences in varying amounts. Vacation leave must be taken in the year earned unless approved by a supervisor. In most cases, upon separation of service, an employee with ten years or more of service is entitled to cash payment for accumulated sick leave and unused compensated absences at various rates subject to certain maximum limitations. The cash payment of accumulated sick leave upon separation of service no longer applies for most employees hired after September 16, 2015.

The Town recognizes a liability for compensated absences and additional salary-related items as the benefits are earned by the employees based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes compensated absences that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave time expected to lapse and includes leave that new employees will eventually qualify for.

Estimated sick leave and compensated absences accumulated by employees and additional salary related items have been recorded in the statement of net position. Payment of sick leave and compensated absences is dependent upon many factors; as such, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of sick leave and compensated absences when such payment becomes due.

In a departure from generally accepted accounting principles, the Town has not implemented the provisions of GASB Statement No. 101, *Compensated Absences*. The amounts by which this departure affects the assets, liabilities, net position and expenses of the Town have not been determined but are presumed to be material.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a use of resources that applies to a future period and so will not be recognized as an outflow (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Fund Balance

There are five allowable classifications of fund balance:

- Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Committed - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, i.e., the Town Board. The Town has no committed fund balance at December 31, 2024.
- Assigned - Includes amounts that are constrained by the Town's intent to be used for specific purposes, but which are neither restricted nor committed.
- Unassigned - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

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

Fund Deficit

The Capital Project Fund has a fund deficit of \$1,835,040 relating to ongoing capital projects financed by bond anticipation notes (BANs). The deficit will be eliminated as BANs are redeemed from appropriations and/or are replaced by permanent financing.

Net Position

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of another government; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - all other net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Data

General Budget Process - Prior to September 30 of each year, the Town Supervisor submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. No later than November 20, the budget is adopted by the Town Board. Any revisions to the budget are approved by the Town Board and are incorporated into the Town's modified budget.

Property Taxes

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1 and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The Town collects taxes from January 1 through April 30. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Self-Insurance

Workers' Compensation

General

The Town is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the Town is responsible for claim payments up to \$550,000. The Town has excess insurance for individual claims above those aforementioned limits.

All known claims filed and an estimate of all incurred but unreported claims existing at December 31, 2024 have been recorded as accounts payable in the Self-Insurance Fund.

The Town establishes workers' compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs may be estimated varies depending on the coverage involved.

Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claim liabilities are charged or credited to the liability in the period in which they are made.

Section 207-C

The Town has retained a portion of the liability to cover losses under Section 207-C of the Workers' Compensation Law for police officers. Officers are entitled to their full pay when out on leave. The Town is required to cover any amount of losses not reimbursed by Workers' Compensation.

The Town established a liability for reported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

Dental Benefits

The Town is self-insured for dental benefits on a cost-reimbursement basis. Under the program, the Town is responsible for claim payments.

All known claims filed and existing at December 31, 2024 have been recorded as an expenditure of the appropriate operating fund consistent with the employee salary expenditure.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Self-Insurance (Continued)

Workers' Compensation (Continued)

General (Continued)

The Town establishes a dental claim liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on estimates of outstanding claims, the process used in computing claims liability does not necessarily result in an exact amount.

Adjustments to claims liabilities are charged or credited to the liability in the period in which they are made.

As discussed above, the Town establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses.

Post Closure Landfill Monitoring

The Town entered into an Order of Consent with the DEC for the purpose of ensuring the proper maintenance and closure of the Town's landfill. The landfill closure is completed. The Town is required to perform certain maintenance and monitoring functions at the site for thirty years after closure, terminating in the year 2024. There was no liability reported as post closure care liability at December 31, 2024.

Other Postemployment Benefits

In addition to providing the retirement benefits described, the Town provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the Town and its employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The Town pays a variable percentage of the cost of premiums to various insurance companies.

Retirement Benefits

Retirement Systems

The Town's employees participate in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

2. CHANGE IN ACCOUNTING BASIS

For the year ended December 31, 2024, the Town fully implemented GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. GASB 34 created a new set of basic financial statements and requires local governments to include Town-wide financial statements that are prepared on an accrual basis of accounting using the economic resource measurement focus.

The implementation of GASB 34 resulted in the need to restate prior year ending balances. Financial statements for the year ended December 31, 2023 were not issued in conformity with GAAP. GASB Statement No. 34 requires certain amounts to be restated. The reconciliation of restated amounts to the December 31, 2023 year end balance is as follows:

Governmental fund balance at January 1, 2024	\$ 11,920,204
Adjustment to determine beginning net position for the statement of activities:	
Capital assets	49,371,273
Deferred outflows - OPEB	5,281,827
Deferred outflows - ERS	3,352,761
Deferred outflows - PFRS	2,934,118
Accrued interest	(472,975)
Long-term debt	(36,013,770)
OPEB liability	(38,055,472)
Judgment and claims payable	(677,802)
Compensated absences	(917,726)
Landfill post closure liability	(19,337)
Net pension liability - ERS	(4,454,811)
Net pension liability - PFRS	(3,947,929)
Deferred inflows - OPEB	(23,728,710)
Deferred inflows - ERS	(260,364)
Deferred inflows - PFRS	(187,601)
Net Position at January 1, 2024	<u>\$ (35,876,314)</u>

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed in Note 1. The Town participates in NYCLASS, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby the Town holds a portion of the investments in cooperation with other participants. At December 31, 2024, the Town held \$10,944,653 in NYCLASS consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by Standard & Poor's Global Ratings.

Balances held with NYCLASS are highly liquid and the amount held represents the cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website www.newyorkclass.org.

At December 31, 2024, the Town's cash balances were insured or collateralized with securities held by the pledging financial institutions' trust department as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 2,719,361	\$ 2,447,122
Cash equivalents	10,944,653	10,944,653
	<u>\$ 13,664,014</u>	<u>\$ 13,391,775</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	\$ 2,469,361	
Covered by FDIC insurance	<u>250,000</u>	
Total	<u>\$ 2,719,361</u>	

The Town does not typically purchase investments for long duration to cause it to believe it is exposed to any material interest rate risk.

The Town does not purchase investments denominated in foreign currency and is therefore not exposed to foreign credit risk.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Restricted Cash

Restricted cash consisted of the following at December 31, 2024:

<u>General Fund</u>	
Parkland reserve	\$ 92,698
Health reimbursement account (HRA)	50,000
	<u>142,698</u>
<u>Highway</u>	
Repairs reserve	\$ 652,797
	<u>652,797</u>
<u>Water</u>	
Capital reserve	\$ 2,236,616
	<u>2,236,616</u>
<u>Sewer</u>	
Capital reserve	\$ 1,066,401
	<u>1,066,401</u>
 Total restricted cash	 <u>\$ 4,098,512</u>

4. CAPITAL ASSETS

The Town's capital assets are recorded in the statement of net position. The following provides a summary of changes to capital assets:

	January 1, 2024 Balance	Additions	Disposals	December 31, 2024 Balance
Capital assets that are not depreciated:				
Land	\$ 15,622,649	\$ 1,000	\$ -	\$ 15,623,649
Land improvements	5,079,657	291,388	-	5,371,045
Buildings	12,321,343	-	-	12,321,343
Machinery and equipment	<u>16,347,624</u>	<u>1,142,440</u>	<u>522,675</u>	<u>16,967,389</u>
Total capital assets	<u>\$ 49,371,273</u>	<u>\$ 1,434,828</u>	<u>\$ 522,675</u>	<u>\$ 50,283,426</u>

No depreciation has been provided on non-current governmental assets. This is a departure from generally accepted accounting principles.

5. BOND ANTICIPATION NOTES PAYABLE

Liabilities for bond anticipation notes (BANs) are accounted for in the Capital Projects Fund. Debt service expenditures are recorded in the fund that benefits from the capital project financed by the note. Principal payments on the BAN must be made annually. A BAN issue for capital purposes must be converted to long-term obligations within five years after the original issue date or be repaid.

Bond anticipation notes are comprised of the following at December 31, 2024:

Purpose	Issue Date	Interest Rate	Original Issue Amount	Balance January 1, 2024	Issued	Paid with Available Funds	Redemptions	Balance December 31, 2024
Capital projects 2024	February 2023	3.05%	4,744,488	\$ 4,744,488	\$ -	\$ 1,507,644	\$ 3,236,844	\$ -
Capital projects 2025	February 2024	4.38%	3,236,845	-	3,236,845	-	-	3,236,845
				<u>\$ 4,744,488</u>	<u>\$ 3,236,845</u>	<u>\$ 1,507,644</u>	<u>\$ 3,236,844</u>	<u>\$ 3,236,845</u>

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities outstanding at December 31, 2024:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 36,013,770	\$ -	\$ 1,640,212	\$ 34,373,558	\$ 1,645,609
Compensated absences	917,726	21,849	-	939,575	-
Claims and judgments payable	677,802	-	231,671	446,131	-
Landfill closure costs	19,337	-	19,337	-	-
Net pension liability	8,402,740	-	2,035,594	6,367,146	-
Total other postemployment benefits liability	<u>38,055,472</u>	<u>-</u>	<u>9,065,236</u>	<u>28,990,236</u>	<u>1,002,764</u>
Total governmental activities	<u>\$ 84,086,847</u>	<u>\$ 21,849</u>	<u>\$ 12,992,050</u>	<u>\$ 71,116,646</u>	<u>\$ 2,648,373</u>

Bonds Payable

The Town borrows money in order to construct infrastructure and perform improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are secured by the full faith and credit of the Town, are recorded in the statement of net position. The Town will repay these long-term liabilities annually through budget appropriations.

6. LONG-TERM LIABILITIES (Continued)

The following is a summary of bonds outstanding at December 31, 2024:

	<u>Original</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bonds:					
2005 - Issue - EFC	\$ 561,694	2018	2035	0.00%	\$ 358,558
2017 Series A	2,263,919	2017	2025	2.00% - 2.50%	310,000
2017 Series B	14,321,228	2017	2042	1.50% - 4.00%	11,430,000
2017 Series C	10,840,700	2017	2042	2.00% - 3.00%	7,400,000
2018 - Issue	16,682,100	2018	2048	3.50% - 3.63%	14,875,000
					<u>\$ 34,373,558</u>

The following is a summary of the maturity of bonds payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
2025	\$ 1,645,609	\$ 1,110,338	\$ 2,755,947
2026	1,366,005	1,065,313	2,431,318
2027	1,401,404	1,022,725	2,424,129
2028	1,406,801	979,437	2,386,238
2029	1,437,199	935,537	2,372,736
2030 through 2034	7,731,956	3,977,478	11,709,434
2035 through 2039	8,584,584	2,659,081	11,243,665
2040 through 2044	7,295,000	1,172,968	8,467,968
2045 through 2048	3,505,000	260,002	3,765,002
	<u>\$ 34,373,558</u>	<u>\$ 13,182,879</u>	<u>\$ 47,556,437</u>

Interest on all debt for the year was composed of:

Interest paid - long-term debt	\$ 1,347,717
Less: Interest accrued in the prior year	(472,975)
Plus: Interest accrued in the current year	<u>417,145</u>
Total expense	<u>\$ 1,291,887</u>

6. LONG-TERM LIABILITIES (Continued)

Judgment and Claims

Several tax certiorari actions are pending against the Town for reductions in the assessed value of various properties. The petitions are for taxes collected from 2010-2024. Management believes that the likelihood of a reduction is probable. Provisions for losses for taxes collected from 2011-2024 for those cases are estimated at \$446,131 as of December 31, 2024.

207-C Disability Payable

The Town had one policeman on 207-C Disability. A liability was established at the present value of the estimated payments to retirement, discounted using a 3% inflation factor. The liability as of December 31, 2024 was paid in full due to an agreement with the officer.

The Town participates in a self-insurance pool for workers' compensation. Under terms of the Plan of the Town retains liability for the portion of a claim that is estimated to exceed the shared liability limit. The Town has determined the estimated value for this potential loss to be zero at December 31, 2024. Had a liability been estimated it would have been recorded in non-current governmental liabilities.

Provisions for judgment and claims are recorded in the non-current governmental liabilities.

7. INTERFUND ACTIVITY

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

	Interfund		Interfund	
	Receivable	Payable	Transfers In	Transfers Out
General fund	\$ 161,990	\$ -	\$ 155,576	\$ 416,697
Capital projects fund	-	161,990	416,697	126,111
Highway fund	-	-	7	-
Park fund	-	-	-	29,472
Total interfund activity	<u>\$ 161,990</u>	<u>\$ 161,990</u>	<u>\$ 572,280</u>	<u>\$ 572,280</u>

8. DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

Deferred inflows of resources for the governmental funds at December 31, 2024 are as follows:

	Deferred Inflows of Resources
<u>General Fund:</u>	
Mortgage Tax	\$ 127,708
Water Tower Leases	<u>407,970</u>
Total General Fund	<u>\$ 535,678</u>
<u>Water Fund:</u>	
Water Tower Leases	<u>\$ 1,124,779</u>
Total Deferred Inflows of Resources	<u>\$ 1,660,457</u>

9. LEASE AGREEMENTS

Lessor Agreements

The Town leases space on water towers to multiple cell phone companies via various agreements extending through 2053. GASB Statement No. 87 requires the Town to record the present value of leases under these agreements with an offsetting deferred inflow of resources. As payments are received, they are charged to principal and interest reducing the lease receivable. The offsetting deferred inflows of resources is amortized in a systematic and rational manner over the duration of the lease. Due to the duration of the lease arrangements and the practical, efficient and expedient nature of doing so, management has determined that utilizing the same amortization as the underlying lease receivable is systematic and rational. For the year ended December 31, 2024, the Town has recorded \$1,640,273 as leases receivable and deferred inflows of resources in the General and Water Funds based on these agreements. Discount rates range from 2.88% to 5% and are based on the estimated available borrowing rate for the Town at the lease commencement date.

Activity of lease inflows for the year ended December 31, 2024 is summarized as follows:

	Year Ending <u>2024</u>
Lease revenue	
Equipment	<u>100,738</u>
Total Lease Revenue	100,738
Interest Revenue	<u>66,430</u>
Total	<u>\$ 167,168</u>

Future minimum lease payments due to the Town are as follows:

	Principal	Interest	Total
2025	\$ 68,149	\$ 63,606	\$ 131,755
2026	75,868	60,404	136,272
2027	80,003	56,931	136,934
2028	77,476	53,295	130,771
2029	68,926	50,156	119,082
2030-2034	427,155	199,123	626,278
2035-2039	274,166	114,988	389,154
2040-2044	221,451	78,471	299,922
2045-2049	251,638	37,840	289,478
2050-2054	<u>95,441</u>	<u>5,879</u>	<u>101,320</u>
	<u>\$ 1,640,273</u>	<u>\$ 720,693</u>	<u>\$ 2,360,966</u>

10. PENSION PLANS

Plan Description and Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement system. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244 or on their website at www.osc.state.ny.us/retire.

Funding Policies

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

ERS

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010 and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members of the System on or after April 1, 2012.

10. PENSION PLANS (Continued)

Funding Policies (Continued)

PFRS

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 1, 2009.
- Tier 3 - Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 – Not applicable.
- Tier 5 - Those persons who last became members of the System on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 (ERS) or January 9, 2010 (PFRS), employees in the System generally contribute 3% of their salary throughout their active membership. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly as used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The Town is required to contribute at an actuarially determined rate. The required contribution for the current year and two preceding years were:

	ERS	PFRS
2024	\$ 921,328	\$ 839,189
2023	\$ 815,624	\$ 731,486
2022	\$ 671,365	\$ 678,305

The Town's contribution made to the Systems was equal to 100 percent of the contributions required for each year.

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

At December 31, 2024, the Town reported a Net Pension liability of \$3,147,683 in the Employee Retirement System and a Net Pension liability of \$3,219,463 in the Police and Fire Retirement System in the Statement of Net Position for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of April 1, 2023. The Town's proportion of the net pension liability (asset) was based on the projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all the participating members, actuarially determined.

10. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2024 the Town's portion was 0.0213778% and 0.0678807% for ERS and PFRS, respectively, which was an increase of \$.0006037% for ERS and a decrease of .0037634% for PFRS from the proportionate shares at December 31, 2023.

For the year ended December 31, 2024, the Town recognized pension expense of \$1,373,991 and \$1,068,386 for ERS and PFRS, respectively. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,013,866	\$ 85,829
Changes of Assumptions	1,190,068	-
Net difference between projected and actual earnings on pension plan investments	-	1,537,627
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	107,259	73,207
Contributions subsequent to the measurement date	690,997	-
Total	<u>\$ 3,002,190</u>	<u>\$ 1,696,663</u>

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 991,873	\$ -
Changes of Assumptions	1,214,384	-
Net difference between projected and actual earnings on pension plan investments	-	873,929
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	50,358	251,118
Contributions subsequent to the measurement date	629,392	-
Total	<u>\$ 2,886,007</u>	<u>\$ 1,125,047</u>

The Town recognized \$690,997 and \$629,392 for ERS and PFRS, respectively, as deferred outflows or resources related to pensions from contributions made subsequent to the measurement date of March 31, 2024, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

10. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for ERS and PFRS, respectively:

	ERS	PFRS	Total
Plan's Year Ending March 31,			
2025	\$ (573,118)	\$ (286,368)	\$ (859,486)
2026	614,352	908,722	1,523,074
2027	905,224	499,052	1,404,276
2028	(331,928)	(110,304)	(442,232)
2029	-	120,466	120,466
Total	<u>\$ 614,530</u>	<u>\$ 1,131,568</u>	<u>\$ 1,746,098</u>

Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

The actuarial valuation used the following actuarial assumptions for both ERS and PFRS:

Actuarial Cost method	Entry Age Actuarial Cost Method
Inflation rate	2.9%
Salary Scale	4.4% ERS, 6.2% PFRS
Investment rate of return	5.9%, annually, net of investment expenses, including inflation
Cost of Living Adjustments	1.5% annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality	Society of Actuaries' Scale MP-2021

Annuitant mortality rates are based on the April 1, 2015, to March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-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 returns net of investment expense 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.

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as of March 31, 2024 in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.25%
	<u>100.00%</u>	

Discount Rate

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. Based upon the 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.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

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

<u>ERS</u>		
<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
<u>\$ 9,896,638</u>	<u>\$ 3,147,683</u>	<u>\$ (2,489,094)</u>

<u>PFRS</u>		
<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
<u>\$ 7,524,639</u>	<u>\$ 3,219,463</u>	<u>\$ (337,242)</u>

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2024 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717	\$ 286,834,568
Plan net position	<u>225,972,801</u>	<u>41,394,895</u>	<u>267,367,696</u>
Employers' net pension liability	<u>\$ 14,724,050</u>	<u>\$ 4,742,822</u>	<u>\$ 19,466,872</u>
Ratio of plan net position to the employers' total pension liability	93.88%	89.72%	93.21%

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town administers its retiree health insurance plan (the Plan) as a single employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees, who have reached the age of 55 and have a certain number of years of service, and their eligible dependents. The benefits, plan benefit levels, amendments, employee contributions and employer contributions are governed by the Town through its personnel manual and through labor negotiations. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets all of the criteria in GASB 75, paragraph 4.

Benefits Provided

The Town provides healthcare benefits for retirees and their dependents. Retirees are required to contribute between 0 - 20% of such costs, dependent on their date of hire. Depending on their date of hire, retirees are covered either for life or until becoming Medicare-eligible. Eligible dependents are covered while the retiree is covered (either lifetime or until Medicare eligibility) and are required to pay between 0 - 50% of costs.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees of beneficiaries	
currently receiving benefits	66
Inactive employees of beneficiaries	
entitled to but not yet receiving benefits	-
Active employees	<u>67</u>
Total participants	<u>133</u>

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability

The Town's total OPEB liability of \$28,990,236 was measured as of December 31, 2024, and was determined by an actuarial valuation of January 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Pre-65 3.10%, Post-65 4.54%
Payroll Growth	3.50%
Discount rate	4.08%, based on the Bond Buyer's 20 Year Bond Index
Healthcare Cost Trend Rates	Pre-65 8.00% for 2025, 7.50% for 2026, decreasing annually to an ultimate rate of 4.54% for 2090. Post-65 5.00% for 2025, 4.75% for 2026, decreasing annually to an ultimate rate of 4.54% for 2027.
Share of Benefit-Related Costs	The Town pays from 100% to 80% of the retirees medical benefits depending on the employee group. The Town pays from 100% to 50% of the cost of eligible spouses during the retiree's lifetime
Mortality	Society of Actuaries' Scale MP-2021

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year general obligation AA municipal bond rate or higher as of December 31, 2024.

Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using scale MP-2021, Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Retirees Headcount-Weighted Mortality fully generational using Scale MP-2010.

Changes in the Total OPEB Liability

Balance at December 31, 2023	\$ 38,055,472
Changes for the year	
Service cost	1,049,244
Change of assumptions	98,199
Difference between expected and actual experience	(10,404,543)
Interest	1,155,319
Benefit payments	(963,455)
Net changes	<u>(9,065,236)</u>
Balance at December 31, 2024	<u>\$ 28,990,236</u>

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current discount rate:

	1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$ 33,632,371	\$ 28,990,236	\$ 25,250,968

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (**)	Healthcare Baseline (**)	1% Increase (**)
Total OPEB Liability	\$ 24,627,572	\$ 28,990,236	\$ 34,619,601

**Healthcare Trend Rates are as follows:

	1% Decrease	Baseline	1% Increase
CDPHP Pre-65	4.94%	5.94%	6.94%
AETNA/ATHEM Post-65	39.95%	40.95%	41.95%

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

For the year ended December 31, 2024, the Town recognized OPEB income of \$3,445,455. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 3,234,670	\$ 9,603,720
Differences between expected and actual experience	-	16,734,159
	<u>\$ 3,234,670</u>	<u>\$ 26,337,879</u>

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year ending December 31,	
2025	\$ (5,650,018)
2026	(6,322,572)
2027	(6,943,386)
2028	(2,060,529)
2029	(1,635,928)
Thereafter	<u>(490,776)</u>
Total	<u>\$ (23,103,209)</u>

12. SALES TAX

In October 2020, the City of Schenectady entered into an agreement with the County of Schenectady effective December 1, 2020 through November 30, 2028. In year one, the City shall receive the same percentage of the 3% sales tax revenue collected as it did in year eight of the prior agreement, plus \$1,000,000. Thereafter in year two through eight, the City shall receive the same percentage of the 3% sales tax as it did in year one, and the calculation of this shall include the \$1,000,000 added to the base of year one for the appropriate percentage calculations in year two through eight.

30% of the Additional ½ of 1% Sales Tax Revenues Distribution

The Town participates in an apportionment of the first 30% of the ½ of 1% as authorized by Chapter 124 of the Laws in 1998 on the basis of the respective populations of the Towns and Villages based on the latest Federal Census.

Additional ½ of 1% Sales Tax Revenues Distribution

The county remains all sales tax revenues generated by the additional tax imposed pursuant to section 1210(i)(31) of the Tax Law.

13. COMMITMENTS AND CONTINGENCIES

A. Litigation and Contingencies

Lawsuits

The Town has been named defendant in certain personal injury cases. A review of the actions with the Town's Attorney indicates that the cases are covered by insurance and the risks are not expected to exceed insurance policy limits.

Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Town believes, based upon its review of current activity and prior experience, the number of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

13. COMMITMENTS AND CONTINGENCIES (Continued)

Joint Venture

The Town has a contract with the City of Schenectady to purchase water which expired November 30, 2013, but continues under the same terms. The approximate cost for the year ended December 31, 2024 was \$1,996,600.

The Town has a contract with the City of Schenectady to treat sewage which expired December 31, 2009, but continues under the same terms. The cost for the year ended December 31, 2024 was \$1,028,178.

Labor Relations

Police and general town employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
C.S.E.A., Local 1000 - White Collar Unit	December 31, 2024
C.S.E.A., Local 1000 - Water and Sewer Unit	December 31, 2028
AFSCME Local 1130 - Highway	December 31, 2026
Police Officers	December 31, 2026

14. TAX ABATEMENTS

The Town negotiates property tax abatement agreements on an individual basis. The Town has tax abatement agreements, as well as negotiated payment on Lieu of tax (PILOT) agreements.

For the year ended December 31, 2024, the Town recognized \$255,912 in PILOT revenue under PILOT agreements expiring through 2032. Abated property taxes are approximately \$1.3 million under this program.

The following are agreements and the amounts of real property tax that has been abated for the year ended December 31, 2024:

<u>Property Owner</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate per 000</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
Momentive Performance Materials	\$ 13,660,000	\$ 6.5625	\$ 89,643	\$ 32,841	\$ 56,802
Rivers Ledge	21,109,000	6.5625	138,527	25,527	113,000
Environment One Corporation	180,000	6.5625	1,181	650	531
Niskayuna Realty LLC	1,400,000	6.5625	9,187	7,908	1,279
Niskayuna Realty LLC	4,041,700	6.5625	26,523	1,550	24,973
Eddy Property Services	32,577,100	6.5625	213,786	160,339	53,447
Naval Reactor Laboratory Field Office	172,500,000	6.5625	1,132,023	27,097	1,104,926
	<u>\$ 245,467,800</u>		<u>\$ 1,610,870</u>	<u>\$ 255,912</u>	<u>\$ 1,354,958</u>

15. RESTATEMENT – CORRECTION OF ERROR/CHANGE IN ACCOUNTING PRINCIPLES

The Town made certain adjustments to the opening fund balances to correct prior period errors and reflect change in accounting principle as stated below:

General Fund

A prior period adjustment was necessary to correct lessor lease accounting. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

Beginning fund balance as of January 1, 2024	\$ 5,796,193
Adjustment to fund balance to correct GASB 87 lessor receivable and deferred inflows	<u>22,878</u>
Beginning fund balance as of January 1, 2024, restated	<u>\$ 5,819,071</u>

The above adjustment had no impact on the current year change in net position.

Water Fund

A prior period adjustment necessary to correct lessor lease accounting. Additionally, the Town modified its accounting for water billing to recognize revenue upon issuance of billing. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

Beginning fund balance as of January 1, 2024	\$ 3,024,685
Adjustment to fund balance to reflect change in accounting principle	240,334
Adjustment to fund balance to correct GASB 87 lessor receivable and deferred inflows	<u>48,524</u>
Beginning fund balance as of January 1, 2024, restated	<u>\$ 3,313,543</u>

The above adjustment had no impact on the current year change in net position.

Sewer Fund

The Town modified its accounting for water billing to recognize revenue upon issuance of billing. The Town believes this change better reflects accounting for exchange transactions. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

Beginning fund balance as of January 1, 2024	\$ 2,431,725
Adjustment to fund balance to reflect change in accounting principle	<u>113,445</u>
Beginning fund balance as of January 1, 2024, restated	<u>\$ 2,545,170</u>

Capital Project Fund

The Town modified its accounting for capital projects grant reimbursements to recognize revenue from reimbursements at the time of expenditures. The Town believes this change better matches grant revenue with the related expenditure. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

Beginning fund balance as of January 1, 2024	\$ (3,251,772)
Adjustment to fund balance to reflect change in accounting principle	<u>224,582</u>
Beginning fund balance as of January 1, 2024, restated	<u>\$ (3,027,190)</u>

The above adjustment had no impact on the current year change in net position.

16. SUBSEQUENT EVENTS

The BAN outstanding as of December 31, 2024, matured on February 21, 2025. On maturity date, \$1,604,332 of principal was paid and the remaining BAN balance of \$1,632,512 was renewed on February 20, 2025; 4.0% interest, due and paid February 20, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NISKAYUNA, NEW YORK

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 5,006,964	\$ 5,006,964	\$ 5,006,964	\$ -
Other tax items	272,961	272,961	244,931	(28,030)
Nonproperty tax items	3,726,997	3,726,997	3,740,294	13,297
Franchise fees	370,000	370,000	323,340	(46,660)
Departmental income	974,988	974,988	880,572	(94,416)
Intergovernmental charges	44,350	44,350	61,160	16,810
Use of money and property	513,880	513,880	477,286	(36,594)
Licenses and permits	360,000	397,500	537,376	139,876
Fines and forfeitures	130,000	130,000	218,288	88,288
Sale of property and compensation for loss	60,000	60,000	47,963	(12,037)
State aid	1,069,205	1,074,367	772,546	(301,821)
Miscellaneous	125,076	163,060	146,580	(16,480)
Total revenues	12,654,421	12,735,067	12,457,300	(277,767)
EXPENDITURES:				
General governmental support	2,036,872	2,139,161	1,985,901	153,260
Public safety	4,721,489	4,707,282	4,587,080	120,202
Health	29,093	29,094	28,213	881
Transportation	603,806	488,956	327,075	161,881
Economic opportunity and development	600	1,000	1,000	-
Culture and recreation	1,512,978	1,604,234	1,523,335	80,899
Home and community services	1,160,303	1,226,550	943,371	283,179
Employee benefits	3,971,106	3,917,449	3,536,944	380,505
Debt service -				
Principal	464,393	467,066	467,066	-
Interest	33,253	56,249	56,249	-
Total expenditures	14,533,893	14,637,041	13,456,234	1,180,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,879,472)	(1,901,974)	(998,934)	903,040
OTHER FINANCING SOURCES (USES):				
Transfers in	29,472	29,472	155,576	126,104
Transfers out	-	-	(416,697)	(416,697)
Premium on issuance of debt	-	-	1,630	1,630
Total other financing sources and uses	29,472	29,472	(259,491)	(288,963)
CHANGE IN FUND BALANCE	(1,850,000)	(1,872,502)	(1,258,425)	614,077
FUND BALANCE - beginning of year	5,796,193	5,796,193	5,796,193	-
RESTATEMENT (NOTE 15)	22,878	22,878	22,878	-
FUND BALANCE - beginning of year, restated	5,819,071	5,819,071	5,819,071	-
FUND BALANCE - end of year	\$ 3,969,071	\$ 3,946,569	\$ 4,560,646	\$ 614,077

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY FUND (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2024

	Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 3,868,853	\$ 3,868,853	\$ 3,868,853	\$ -
Other tax items	56,974	56,974	93,354	36,380
Use of money and property	221,004	221,004	227,672	6,668
Licenses and permits	12,000	12,000	10,635	(1,365)
Sale of property and compensation for loss	38,000	38,000	20,630	(17,370)
State aid	292,378	292,378	318,387	26,009
Miscellaneous	5,200	5,200	24,605	19,405
Total revenues	4,494,409	4,494,409	4,564,136	69,727
EXPENDITURES:				
Transportation	3,398,032	3,945,561	3,321,877	623,684
Employee benefits	1,040,045	1,040,045	763,350	276,695
Debt service -				
Principal	498,879	502,127	502,127	-
Interest	57,453	54,205	42,688	11,517
Total expenditures	4,994,409	5,541,938	4,630,042	911,896
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500,000)	(1,047,529)	(65,906)	981,623
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	7	7
Premium on issuance of debt	-	-	9,199	9,199
Total other financing sources and uses	-	-	9,206	9,206
CHANGE IN FUND BALANCE	(500,000)	(1,047,529)	(56,700)	990,829
FUND BALANCE - beginning of year	2,683,419	2,683,419	2,683,419	-
FUND BALANCE - end of year	\$ 2,183,419	\$ 1,635,890	\$ 2,626,719	\$ 990,829

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WATER FUND (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2024

	Water Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 1,083,212	\$ 1,083,212	\$ 1,083,212	\$ -
Departmental income	4,398,558	4,398,558	3,877,277	(521,281)
Use of money and property	262,096	262,096	336,239	74,143
Sale of property and compensation for loss	95,500	95,500	24,266	(71,234)
Miscellaneous	28,500	28,500	6,194	(22,306)
Total revenues	5,867,866	5,867,866	5,327,188	(540,678)
EXPENDITURES:				
Home and community services	4,096,020	4,964,510	4,265,453	699,057
Employee benefits	688,634	689,434	554,313	135,121
Debt service -				
Principal	778,744	786,002	786,002	-
Interest	304,468	297,210	271,846	25,364
Total expenditures	5,867,866	6,737,156	5,877,614	859,542
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(869,290)	(550,426)	318,864
OTHER FINANCING SOURCES (USES):				
Premium on issuance of debt	-	-	18,850	18,850
Total other financing sources and uses	-	-	18,850	18,850
CHANGE IN FUND BALANCE	-	(869,290)	(531,576)	337,714
FUND BALANCE - beginning of year	3,024,685	3,024,685	3,024,685	-
RESTATEMENT (NOTE 15)	288,858	288,858	288,858	-
FUND BALANCE - beginning of year, restated	3,313,543	3,313,543	3,313,543	-
FUND BALANCE - end of year	\$ 3,024,685	\$ 2,155,395	\$ 2,781,967	\$ 337,714

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SEWER FUND (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2024

	Sewer Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 2,344,591	\$ 2,344,591	\$ 2,344,591	\$ -
Departmental income	3,614,169	3,614,169	3,582,116	(32,053)
Use of money and property	203,082	203,082	158,796	(44,286)
Sale of property and compensation for loss	124,800	124,800	784	(124,016)
Intergovernmental charges	5,500	5,500	7,018	1,518
Miscellaneous	60,500	60,500	65,505	5,005
Total revenues	6,352,642	6,352,642	6,158,810	(193,832)
EXPENDITURES:				
Home and community services	3,358,427	3,829,500	3,443,402	386,098
Employee benefits	649,623	652,759	559,206	93,553
Debt service -				
Principal	1,392,023	1,392,661	1,392,661	-
Interest	952,569	976,936	976,934	2
Total expenditures	6,352,642	6,851,856	6,372,203	479,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(499,214)	(213,393)	285,821
OTHER FINANCING SOURCES (USES):				
Premium on issuance of debt	-	-	1,273	1,273
Total other financing sources and uses	-	-	1,273	1,273
CHANGE IN FUND BALANCE	-	(499,214)	(212,120)	287,094
FUND BALANCE - beginning of year	2,431,725	2,431,725	2,431,725	-
RESTATEMENT (NOTE 15)	113,445	113,445	113,445	-
FUND BALANCE - beginning of year, restated	2,545,170	2,545,170	2,545,170	-
FUND BALANCE - end of year	\$ 2,545,170	\$ 2,045,956	\$ 2,333,050	\$ 287,094

TOWN OF NISKAYUNA, NEW YORK

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Last 10 Fiscal Years						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 1,049,244	\$ 1,445,121	\$ 1,393,291	\$ 3,099,315	\$ 3,034,974	\$ 1,518,495	\$ 1,792,705
Interest	1,155,319	1,388,464	1,333,137	1,346,182	1,279,795	2,031,690	1,827,785
Differences between expected and actual experience	(10,404,543)	-	(13,311,359)	-	(5,419,881)	-	-
Changes in assumptions	98,199	-	(18,957,990)	-	13,800,903	-	(6,158,374)
Benefit payments	(963,455)	(1,314,569)	(1,267,421)	(1,195,727)	(1,170,904)	(1,062,926)	(1,021,062)
Total change in total OPEB liability	(9,065,236)	1,519,016	(30,810,342)	3,249,770	11,524,887	2,487,259	(3,558,946)
OPEB Plan Fiduciary Position							
Total OPEB liability - beginning	38,055,472	36,536,456	67,346,798	64,097,028	52,572,141	50,084,882	53,643,828
Total OPEB liability - ending	<u>\$ 28,990,236</u>	<u>\$ 38,055,472</u>	<u>\$ 36,536,456</u>	<u>\$ 67,346,798</u>	<u>\$ 64,097,028</u>	<u>\$ 52,572,141</u>	<u>\$ 50,084,882</u>
Covered payroll	\$ 10,661,203	\$ 9,907,229	\$ 9,572,202	\$ 8,453,276	\$ 8,287,525	\$ 8,647,632	\$ 8,478,071
Total OPEB liability as a percentage of covered-payroll	271.92%	384.12%	381.69%	796.69%	773.42%	607.94%	590.76%
Notes to schedule:							
	2024	2023	2022	2021	2020	2019	2018
Discount rate	4.08%	3.72%	2.12%	N/A	N/A	N/A	N/A
Healthcare trend rate:							
Initial rate	5.94%	7.50%	5.53%	N/A	N/A	N/A	N/A
Ultimate rate	4.54%	4.54%	4.54%	N/A	N/A	N/A	N/A
Ultimate rate year	2090	2090	2090	N/A	N/A	N/A	N/A

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

TOWN OF NISKAYUNA, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31,**

	Last 10 Fiscal Years									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.021%	0.021%	0.021%	0.020%	0.021%	0.021%	0.021%	0.021%	0.022%	0.023%
Proportionate share of the net pension liability (asset)	\$ 3,147,683	\$ 4,454,811	\$ (1,745,648)	\$ 19,932	\$ 5,504,760	\$ 1,463,092	\$ 674,912	\$ 1,952,799	\$ 3,463,161	\$ 772,772
Covered payroll	\$ 6,354,006	\$ 6,652,731	\$ 6,114,626	\$ 6,100,570	\$ 6,169,123	\$ 5,995,615	\$ 5,907,438	\$ 5,759,926	\$ 5,617,447	\$ 5,562,531
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.54%	66.96%	-28.55%	0.33%	89.23%	24.40%	11.42%	33.90%	61.65%	13.89%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
New York State and Local Police and Fire Retirement System	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.068%	0.071%	0.068%	0.068%	0.070%	0.067%	0.067%	0.066%	0.070%	0.066%
Proportionate share of the net pension liability (asset)	\$ 3,219,463	\$ 3,947,929	\$ 384,213	\$ 1,183,275	\$ 3,767,698	\$ 1,124,905	\$ 672,263	\$ 1,399,263	\$ 2,078,138	\$ 181,796
Covered payroll	\$ 2,860,137	\$ 2,973,968	\$ 2,810,734	\$ 2,826,944	\$ 2,839,587	\$ 2,698,878	\$ 2,512,239	\$ 2,498,563	\$ 2,463,400	\$ 2,266,002
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	112.56%	132.75%	13.67%	41.86%	132.68%	41.68%	26.76%	56.00%	84.36%	8.02%
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.72%	87.43%	98.66%	95.79%	84.86%	95.07%	96.93%	93.50%	90.20%	99.00%

TOWN OF NISKAYUNA, NEW YORK

**SCHEDULE OF CONTRIBUTIONS - PENSION PLAN (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31,**

	Last 10 Fiscal Years*									
NEW YORK STATE EMPLOYEES' RETIREMENT	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 921,328	\$ 815,624	\$ 671,365	\$ 942,125	\$ 863,250	\$ 839,053	\$ 835,610	\$ 841,519	\$ 841,645	\$ 945,885
Contributions in relation to the contractually required contribution	<u>921,328</u>	<u>815,624</u>	<u>671,365</u>	<u>942,125</u>	<u>863,250</u>	<u>839,053</u>	<u>835,610</u>	<u>841,519</u>	<u>841,645</u>	<u>945,885</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,354,006	\$ 6,652,731	\$ 6,114,626	\$ 6,100,570	\$ 6,169,123	\$ 5,995,615	\$ 5,907,438	\$ 5,759,926	\$ 5,617,447	\$ 5,562,531
Contributions as a percentage of covered payroll	14.50%	12.26%	10.98%	15.44%	13.99%	13.99%	14.15%	14.61%	14.98%	17.00%
NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 839,189	\$ 731,486	\$ 678,305	\$ 712,796	\$ 609,155	\$ 553,366	\$ 512,681	\$ 533,896	\$ 530,351	\$ 568,287
Contributions in relation to the contractually required contribution	<u>839,189</u>	<u>731,486</u>	<u>678,305</u>	<u>712,796</u>	<u>609,155</u>	<u>553,366</u>	<u>512,681</u>	<u>533,896</u>	<u>530,351</u>	<u>568,287</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,860,137	\$ 2,973,968	\$ 2,810,734	\$ 2,826,944	\$ 2,839,587	\$ 2,698,878	\$ 2,512,239	\$ 2,498,563	\$ 2,463,400	\$ 2,266,002
Contributions as a percentage of covered payroll	29.34%	24.60%	24.13%	25.21%	21.45%	20.50%	20.41%	21.37%	21.53%	25.08%

* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

SUPPLEMENTARY INFORMATION

TOWN OF NISKAYUNA, NEW YORK

**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Non-Major Funds				
	Special Grants Fund	Drainage Fund	Park Fund	Lighting Fund	Total Non-Major Funds
ASSETS:					
Cash and Cash equivalents	\$ 31,142	\$ 394,455	\$ 133,208	\$ 165,885	\$ 724,690
Accounts receivable	2,329	-	-	-	2,329
Prepaid expenditures	-	912	-	-	912
Total assets	<u>\$ 33,471</u>	<u>\$ 395,367</u>	<u>\$ 133,208</u>	<u>\$ 165,885</u>	<u>\$ 727,931</u>
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 930	\$ 190	\$ -	\$ -	\$ 1,120
Unearned revenue	25,717	-	-	-	25,717
Total liabilities	<u>26,647</u>	<u>190</u>	<u>-</u>	<u>-</u>	<u>26,837</u>
FUND BALANCE:					
Assigned - other	-	216,000	-	-	216,000
Restricted	6,824	179,177	133,208	165,885	485,094
Total fund balance	<u>6,824</u>	<u>395,177</u>	<u>133,208</u>	<u>165,885</u>	<u>701,094</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 33,471</u>	<u>\$ 395,367</u>	<u>\$ 133,208</u>	<u>\$ 165,885</u>	<u>\$ 727,931</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF NISKAYUNA, NEW YORK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Non-Major Funds				
	Special Grants Fund	Drainage Fund	Park Fund	Lighting Fund	Total Non-Major Funds
REVENUES:					
Real property taxes	\$ -	\$ 120,193	\$ 45,971	\$ 40,644	\$ 206,808
Use of money and property	626	19,368	-	-	19,994
Federal aid	920,282	-	-	-	920,282
Total revenues	920,908	139,561	45,971	40,644	1,147,084
EXPENDITURES:					
Culture and recreation	-	-	14,787	-	14,787
Transportation	-	-	-	32,913	32,913
Home and community services	921,132	26,400	-	-	947,532
Employee benefits	-	7,477	-	-	7,477
Total expenditures	921,132	33,877	14,787	32,913	1,002,709
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(224)	105,684	31,184	7,731	144,375
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	(29,472)	-	(29,472)
Total other financing sources and uses	-	-	(29,472)	-	(29,472)
CHANGE IN FUND BALANCE	(224)	105,684	1,712	7,731	114,903
FUND BALANCE - beginning of year	7,048	289,493	131,496	158,154	586,191
FUND BALANCE - end of year	\$ 6,824	\$ 395,177	\$ 133,208	\$ 165,885	\$ 701,094

The accompanying notes are an integral part of this supplementary information.

TOWN OF NISKAYUNA, NEW YORK

COMBINING SEWER 01 AND 06 BALANCE SHEET DECEMBER 31, 2024

	Sewer 01 Fund	Sewer 06 Fund	Total Sewer Funds
ASSETS:			
Cash and Cash equivalents	\$ -	\$ -	\$ 889,573
Cash - restricted			1,066,401
Accounts receivable	-	-	1,131,872
Prepaid expenditures	-	-	42,057
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,129,903</u>
LIABILITIES:			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 796,853</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>796,853</u>
FUND BALANCE:			
Nonspendable	-	-	42,057
Assigned - other	-	-	187,398
Restricted	-	-	2,103,595
Total fund balance	<u>-</u>	<u>-</u>	<u>2,333,050</u>
Total liabilities, deferred inflows and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,129,903</u>

Information by individual Sewer Fund for Balance Sheet is not available.

TOWN OF NISKAYUNA, NEW YORK

COMBINING SEWER 01 AND 06 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DECEMBER 31, 2024

	Sewer 01 Fund	Sewer 06 Fund	Total Sewer Funds
REVENUES:			
Real property taxes	\$ 220,965	\$ 2,123,626	\$ 2,344,591
Department income	1,234,337	2,347,779	3,582,116
Intergovernmental charges	-	7,018	7,018
Use of money and property	50,249	108,547	158,796
Sale of property and compensation for loss	248	536	784
Miscellaneous	2,041	63,464	65,505
Total revenues	1,507,840	4,650,970	6,158,810
EXPENDITURES:			
Home and community services	1,429,025	2,014,377	3,443,402
Employee benefits	122,836	436,370	559,206
Debt service -			
Principal	171,323	1,221,338	1,392,661
Interest	56,446	920,488	976,934
Total expenditures	1,779,630	4,592,573	6,372,203
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(271,790)	58,397	(213,393)
OTHER FINANCING SOURCES (USES):			
Premium on Issuance of Debt	322	951	1,273
Total other financing sources and uses	322	951	1,273
CHANGE IN FUND BALANCE	(271,468)	59,348	(212,120)
FUND BALANCE - beginning of year	-	-	2,431,725
RESTATEMENT (NOTE 15)	-	-	113,445
FUND BALANCE - beginning of year, restated	-	-	2,545,170
FUND BALANCE - end of year	\$ -	\$ -	\$ 2,333,050

The accompanying notes are an integral part of this supplementary information.

OTHER INFORMATION

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

June 24, 2026

To the Honorable Supervisor and Town Board of the
Town of Niskayuna, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Niskayuna, New York (Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 24, 2026. Our report describes an adverse opinion on governmental activities because the Town does not depreciate its capital assets and has not reported compensated absences in accordance with applicable guidance as required by accounting principles generally accepted in the United States. All other opinion units had unmodified opinions.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be material weaknesses.

(Continued)

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

Report on Compliance and Other Matters

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

Town's Response to Findings

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

Purpose of This Report

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

Bonadvis & Co. LLP

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF FINDINGS DECEMBER 31, 2024

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements
audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☒ Yes

☐ No

Significant deficiencies identified?

☐ Yes

☒ None reported

Noncompliance material to financial statements noted?

☐ Yes

☒ No

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF FINDINGS (Continued) DECEMBER 31, 2024

Material Weakness in Internal Control

2024-001 General Accounting

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting to ensure that:

1. Accounts Payable

Accounts payable and encumbrances are properly classified. Internal control policies and budgetary accounting standards require that purchase commitments be recorded as encumbrances when an obligation is created—typically upon approval of a purchase order, contract, or requisition. This process ensures accurate tracking of committed appropriations and supports effective budgetary control.

2. Cash Reconciliations

- Bank accounts are reconciled timely and accurately.
- Reconciling items and variances to be researched, supported and resolved promptly.
- Segregation of duties amount individuals responsible for preparing disbursements, approving/signing checks, and performing bank reconciliations relating to Capital Project Fund bank reconciliation.

3. Revenue Recognition

- Revenues are recorded in the proper accounting period and in accordance with generally accepted accounting principles (GAAP).
- Financial records are complete and accurate to support the preparation of financial statements.

Condition: During our audit, we identified deficiencies in the design and operation of internal controls over financial reporting, including:

1. Accounts Payable

During our testing of the accounting records, we identified multiple instances in which expenditures were recorded directly to Accounts Payable rather than being established as encumbrances at the time the underlying purchase commitments were initiated. The transactions tested met the criteria for encumbrance accounting, as the obligation existed prior to the receipt of goods or services or prior to invoice approval.

By recording these transactions as accounts payable instead of encumbrances, the entity bypassed the required encumbrance process. As a result, outstanding commitments were not fully captured or reported in the accounting system during the fiscal year.

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF FINDINGS (Continued) DECEMBER 31, 2024

Material Weakness in Internal Control (Continued)

2024-001 General Accounting (Continued)

2. Cash Reconciliations

During our audit, we identified multiple deficiencies related to the Town's bank reconciliation processes and internal controls over cash management:

- Bank reconciliations were not performed timely.
- Reconciling items were not investigated or resolved in a timely manner.
- Reconciliations lacked segregation of duties relating to Capital Project Fund bank reconciliation.

3. Revenue Recognition

- Certain revenues were recorded when received rather than when earned or measurable and available (governmental funds).
- Deferred revenue calculations were not prepared or reviewed.
- Adjustments were required to properly state revenues at year-end.

Cause: The deficiencies appear to be due to:

- Lack of documented procedures for year-end closing
- Limited supervisory review and oversight
- Insufficient technical expertise regarding GAAP revenue recognition requirements

Effect: Failure to properly record accounts payable, reconcile cash, and recognize revenue increases the risk that:

- Financial statements may be materially misstated.
- Errors or irregularities may not be detected timely.
- Management and governing board decisions may be based on inaccurate financial information.
- Fraud risk is increased due to inadequate reconciliation controls.

As a result of these deficiencies, material audit adjustments were proposed and recorded to properly present the financial statements.

TOWN OF NISKAYUNA, NEW YORK

SCHEDULE OF FINDINGS (Continued) DECEMBER 31, 2024

Material Weakness in Internal Control (Continued)

2024-001 General Accounting (Continued)

Recommendation: We recommend that management:

1. Strengthen internal controls over the encumbrance process by ensuring that all purchase commitments are recorded as encumbrances at the point the obligation is created. Staff responsible for procurement and accounts payable should receive periodic training emphasizing that: requisitions or purchase orders must be entered promptly, invoices should not be recorded as accounts payable until goods or services have been received or rendered and encumbrance procedures must be followed consistently to support accurate tracking of commitments.
2. Implement formal month-end and year-end closing procedures.
3. Ensure all bank accounts are reconciled monthly, reviewed, and approved by someone independent of the preparer. Investigate, document, and resolve all reconciling items and variances to ensure accuracy and completeness of the Town's cash records.
4. Develop revenue recognition procedures consistent with GAAP, including deferred revenue calculations.
5. Provide additional training to accounting personnel regarding governmental accounting standards.

Management's response: Management agrees with the finding and has indicated it will:

- Develop written closing procedures.
- Perform and document timely bank reconciliations with supervisory review.
- Implement a year-end accounts payable accrual checklist.
- Obtain additional training on governmental revenue recognition requirements.