Town of Pound Ridge, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2025

Table of Contents

Table of Contents (Concluded)

Independent Auditors' Report

The Honorable Supervisor and Town Board
of the Town of Pound Ridge, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Highway Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 I Tel: 914.381.8900 I Fax: 914.381.8910 I www.pkfod.com

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2025 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated July 25, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2024 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 related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2024.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
July 22, 2026

(This page intentionally left blank)

Introduction

The management of the Town of Pound Ridge, New York ("Town") offers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025 to readers of the Town's financial statements. This document should be read in conjunction with the basic financial statements, which immediately follow this section in order to enhance the understanding of the Town's financial performance.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded the liabilities and deferred inflows of resources at the close of 2025 by $9,776,745. This reflects an increase in the total net position of $1,950,575.

- As of the close of 2025, the Town's governmental funds reported combined ending fund balances of $5,795,859, an increase of $2,853,603 from FY 2024. The increase reflects positive operating performance in the General Fund together with financing activities completed during the year.

- At the end of the current year, unassigned fund balance for the General Fund was $1,529,390, which equates to 19.2% of total General Fund expenditures of $7,948,650 exclusive of Other Financing Uses - Transfers Out of $130,000. The General Fund reported an ending total fund balance of $8,112,265 which represents an increase of $847,604 from FY 2024 ending fund balance of $7,264,661. The Town continues to maintain a healthy level of unrestricted resources to address operating needs, emergencies, and future capital requirements.

- During 2025, the Town issued $1,880,000 in statutory installment bonds while reducing outstanding bond anticipation notes from $3,480,000 to $2,020,000. This financing strategy converted a significant portion of outstanding short-term debt into long-term obligations while continuing to support the Town's capital improvement program.

- For the year ended December 31, 2025, the Town reported in its Statement of Net Position a net pension liability of $1,076,608 for its proportionate share of the ERS net pension liability and $346,904 for its proportionate share of the PFRS net pension liability. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3E in the notes to financial statements.

- The Town is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Town has recognized substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2025, the Town had liabilities of $10,287,747 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). These actuarially determined liabilities represent long-term commitments and do not require current financial resources for payment. Detailed information about the Town's OPEB reporting is presented in Note 3E in the notes to financial statements.

- The Town implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", for the year ended December 31, 2024. Generally, the Town does not compensate employees upon separation from employment. However, the Town now recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the Town has reported for the year ended December 31, 2025 a compensated balances balance of $102,939.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities, deferred inflows of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

The government-wide financial statement can be found immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Town maintains three major governmental funds: the General Fund, the Highway Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Public Parking District and the Special Purpose funds are grouped together as non-major governmental Funds.

Budgetary comparison statements are provided for the General Fund and the Highway Fund. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains one type of fiduciary fund, that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the Town for other parties outside of the Town's reporting entity and, in the case of the Town, primarily to account for real property taxes held for other governments.

The fiduciary fund financial statements can be found in the basic financial section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Town's OPEB and net pension liabilities, individual fund financial statements and schedules of "budgets to actual" comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve overtime as a useful indicator of a government's financial position. The Town has assets and deferred outflows of resources at a surplus balance related to liabilities and deferred inflows of resources by $9,776,745 for fiscal year ended 2025. This represents an increase of $1,950,575 above Net Position for the fiscal year ended 2024 as previously mentioned.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position
December 31,

	2025	2024
Current Assets	$ 9,252,435	$ 8,394,348
Capital Assets, net	17,134,370	17,173,179
Total Assets	26,386,805	25,567,527
Deferred Outflows of Resources*	2,003,682	1,882,396
Current Liabilities	3,261,677	5,183,120
Long-term Liabilities	13,694,198	11,725,743
Total Liabilities	16,955,875	16,908,863
Deferred Inflows of Resources*	1,657,867	2,714,890
Net Position		
Net Investment in Capital Assets	13,234,370	13,693,179
Restricted	6,058,533	5,483,079
Unrestricted	(9,516,158)	(11,350,088)
Total Net Position	$ 9,776,745	$ 7,826,170

*Detailed information pertaining to the Town's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 to the financial statements. The amounts are as follows:

Deferred Inflows/Outflows Amounts

Retirement System	Outflows		Inflows	
	2025	2024	2025	2024
Employee (ERS)	$ 977,936	$ 1,060,269	$ 50,772	$ 484,810
Police (PFRS)	422,038	344,356	46,215	116,020
	1,399,974	1,404,625	96,987	600,830
Other Post Employment Benefits (OPEB)	603,708	477,771	1,560,880	2,114,060
	$ 2,003,682	$ 1,882,396	$ 1,657,867	$ 2,714,890

Current assets increased in governmental activities by $858,087 from the prior year. This was primarily due to an increase in interest earnings as well as an overall net change in fund balance of $847,604 resulting from favorable revenue and expenditure variance compared to the final budget.

Current liabilities in governmental activities decreased by $1,921,443 from the previous year due to a reduction in bond anticipation notes that were financed with a statutory installment bond.

Long-term liabilities, which consist of general obligation bonds, net pension liabilities, retirement incentives and other pension obligations and other post-employment benefit liability increased by $1,968,455 from the previous year. This was primarily due to issuing a statutory installment bond of $1,880,000, increase in the net pension liability for ERS and PFRS of $414,993 due to increased salaries and increased contribution rates and a decrease in other postemployment benefit liability ($348,822) due to lower actual experience as compared to projections, decreases in projected health care costs and an increase in the discount rate.

The largest component of the Town's Net Position is Net Investment in Capital Assets of $13,234,370 in 2025 and $13,693,179 in 2024 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted Net Position of $6,058,533 in 2025 and $5,483,079 in 2024, represent resources that are subject to external restrictions on their use. The restrictions are:

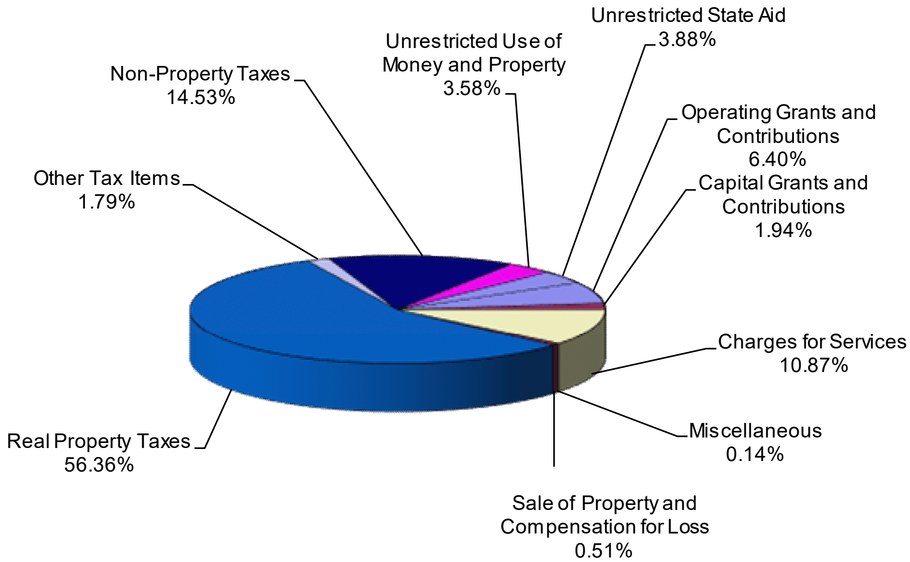
	2025	2024
Open Space	$ 5,832,079	$ 5,253,496
Special Revenue Fund Trusts	226,454	229,583
	$ 6,058,533	$ 5,483,079

The remaining balances represents unrestricted deficits of ($9,516,158) in 2025 and ($11,350,088) in 2024. If available, unrestricted Net Position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

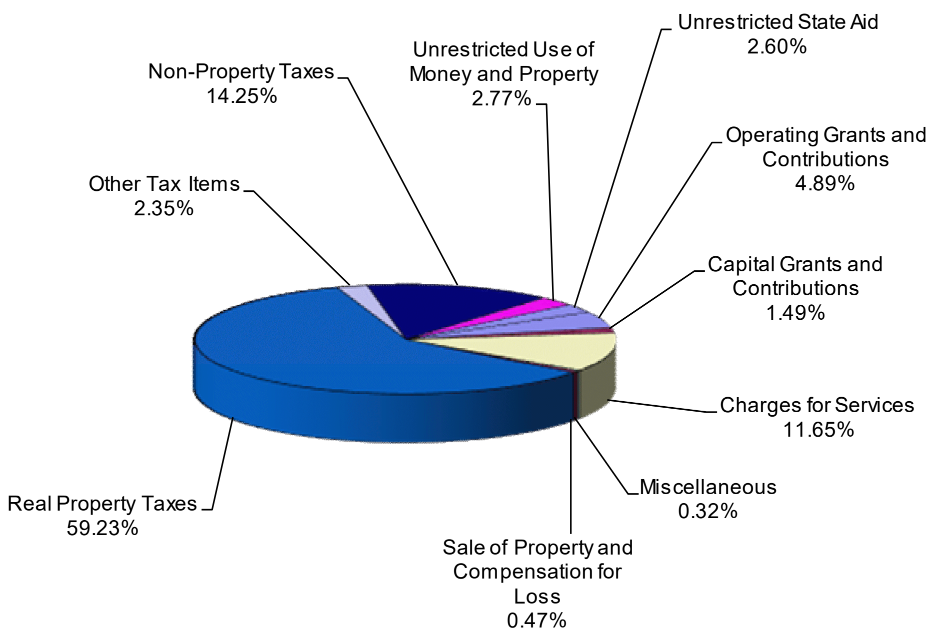
Change in Net Position
Fiscal Year Ended December 31,

	2025	2024
REVENUES		
Program Revenues		
Charges for Services	$ 1,314,337	$ 1,324,015
Operating Grants and Contributions	773,181	555,625
Capital Grants and Contributions	234,245	168,970
Total Program Revenues	2,321,763	2,048,610
General Revenues		
Real Property Taxes	6,811,949	6,734,057
Other Tax items	216,189	267,242
Non-Property Taxes	1,755,602	1,620,693
Unrestricted Use of Money and Property	433,113	314,732
Sale of Property and Compensation for Loss	61,925	53,025
Unrestricted State Aid	468,806	295,050
Miscellaneous	17,123	36,272
Total General Revenues	9,764,707	9,321,071
Total Revenues	12,086,470	11,369,681
EXPENSES		
Program Expenses		
General Government Support	2,936,076	2,855,630
Public Safety	2,014,180	1,923,296
Health	213,762	198,588
Transportation	2,932,206	2,516,344
Economic Opportunity and Development	6,159	5,900
Culture and Recreation	1,696,122	1,315,630
Home and Community Services	150,204	194,723
Interest	187,186	166,994
Total Expenses	10,135,895	9,177,105
Change in Net Position	1,950,575	2,192,576
NET POSITION		
Beginning	7,826,170	5,633,594
Ending	$ 9,776,745	$ 7,826,170

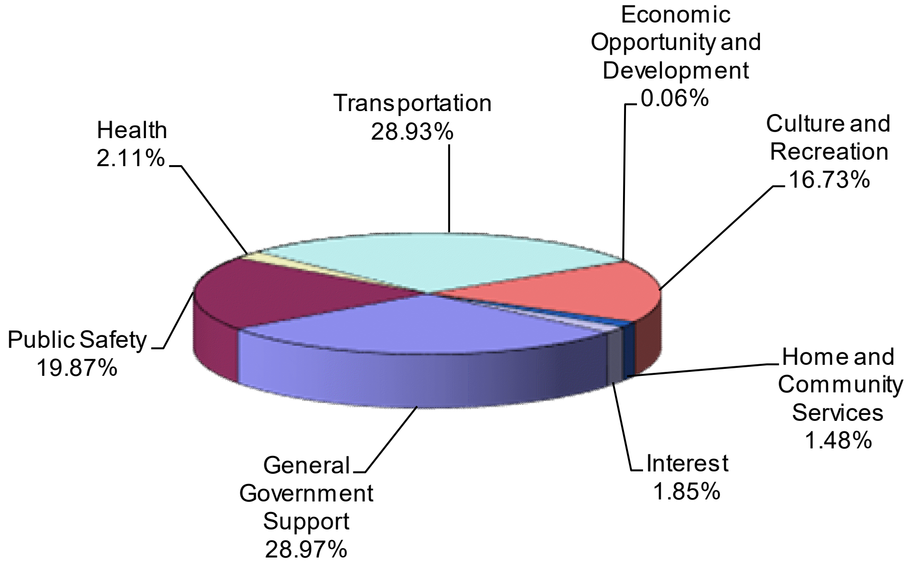
Sources of Revenue for Year 2025
Governmental Activities



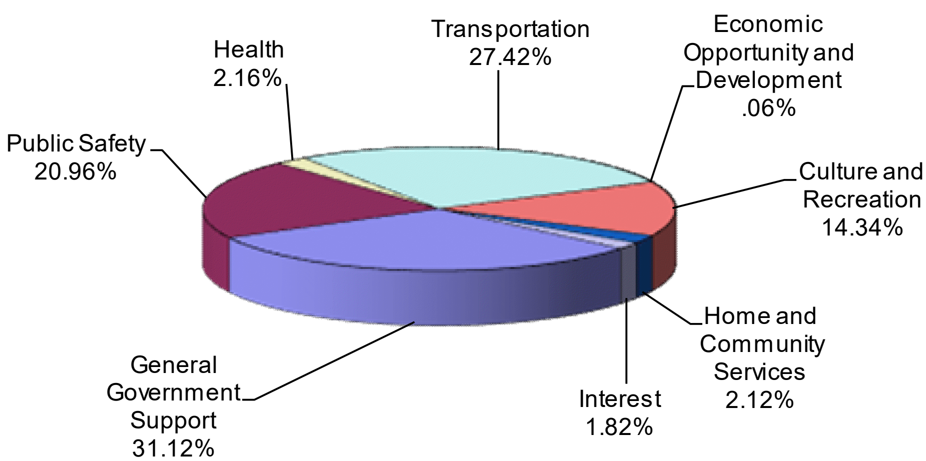
Sources of Revenue for Year 2024
Governmental Activities



Sources of Expenses for Year 2025
Governmental Activities



Sources of Expenses for Year 2024
Governmental Activities



Governmental Activities

Governmental activities increased the Town's Net Position by $1,950,575 in 2025 and increased its net position by $2,146,732 in 2024. For the fiscal year ended December 31, 2025, revenues from governmental activities totaled $12,086,470. Tax revenues ($8,783,740) comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (72.7%).

Expenses from governmental activities totaled $10,135,895. The largest components of governmental activities in 2025 expenses are general government support (29.0%), public safety (19.9%) and transportation (28.9%). Public Safety includes the following: Police, Fire, Safety Inspection and Animal Control. General Government Support includes the following: Town Board, Town Justice, Supervisor, Finance, Town Offices, Clerk, Law, Data Processing, Central Printing and

Mailing, Unallocated Insurance, Taxes on Town Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Administration, Garage and Street Lighting.

The major changes are as follows:

Revenues

- Real property taxes increased modestly by $77,892, consistent with the adopted budget and allowable tax levy growth.
- Unrestricted Use of Money and Property which represents mostly interest revenue increased by $118,381, reflecting higher investment earnings as interest rates remained favorable throughout much of the year.
- Non-Property Taxes increased by $134,909 due to increases in sales tax revenue and continued growth in cannabis tax revenue.
- Unrestricted state aid increased $173,756 mainly the result of an increase in the mortgage tax revenue and additional unrestricted state assistance.
- Operating grants and contributions increased by $217,556 which resulted from the park shelter and town house upgrades.
- Capital grants and contributions also increased as grant-funded capital projects progressed during the year.

Expenses

- General Government Support increased by $80,446. General Government Support remained the Town's largest functional expenditure, accounting for approximately 29.0% of total governmental expenses. Costs increased modestly during the year, reflecting higher contractual services, professional fees, insurance costs, and normal inflationary increases in operating expenses.
- Transportation expenditures increased by approximately $415,862 from the prior year. The increase primarily reflects additional highway maintenance activities, infrastructure improvements, employee benefit costs, equipment-related expenditures, and depreciation associated with completed capital assets.
- Culture and Recreation expenditures increased by approximately $380,492, reflecting continued investment in parks, recreational facilities, community programming, and seasonal operations. Recreation programs continued to experience strong participation while maintaining user fee revenues that offset a significant portion of operating costs.
- Public Safety expenditures increased moderately during the year due primarily to contractual salary adjustments, employee benefit costs, and ongoing investments in police, communications, and building safety inspection services.

Financial Analysis of the Town's Funds

Fund Balance Reporting

GASB issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* in February 2009. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $5,795,859. The unassigned fund balance has a deficit balance in the amount of

($1,244,495) inclusive of the Capital Project Fund deficit of ($2,532,510). The nonspendable fund balance component consists of amounts for prepaid expenditures $686,740. Fund balance of $6,058,533 is restricted, in its use under the terms of a trust agreement $226,454 and the land reserve for open space $5,832,079.

The General Fund is the primary operating fund of the Town. At the end of FY 2025, unassigned fund balance of the General Fund was $1,529,390, representing 18.9% of the total General Fund balance of $8,112,265. When the FY 2025 General Fund budget was adopted, it anticipated to use $275,000 of fund balance. Actual results of operations resulted in an increase in the Unassigned Fund Balance of $475,903. Revenues were $8,926,254, which was $942,560 or 11.8% more than the final budget. Such surplus was generated from interest income due to interest rates as well as increase in mortgage tax revenues and recreation program revenue. Expenditures exclusive of Transfers Out were $7,948,650 which was $31,941 or 0.4%, less than the final budget.

The Highway Fund's total fund balance at the end of the current fiscal year was ($30,431). The Unassigned Fund Balance had a deficit of ($194,375) which increased by $113,831 from the previous year. The Town plans on transferring from Unassigned General Fund Balance to reduce the Highway Fund deficit.

The Capital Projects Fund has a deficit fund balance of ($2,532,510). The majority of the capital projects are financed by short-term debt in the form of bond anticipation notes of $2,020,000 as of December 31, 2025. The Town plans on transferring from Unassigned General Fund Balance to reduce the Capital Fund deficit.

The Town's nonmajor governmental funds reported combined ending fund balances of $246,535, consisting primarily of restricted trust resources and assigned balances within the Public Parking District Fund. These funds continue to operate within their intended statutory purposes and represent a relatively small portion of the Town's overall governmental financial position.

General Fund Budgetary Highlights

The appropriations budget for general government support was decreased by $140,480, Public Safety decreased by $35,564 and Culture and Recreation increased by $260,397 as compared to FY2024.

When the fiscal 2025 budget was adopted, it anticipated using $275,000 of the unassigned fund balance of the General Fund. Actual results of operations resulted in an increase in overall fund balance of $847,604 and an increase in unassigned fund balance of $475,903 to a balance of $1,529,390. Actual revenues for 2025 were $942,560 more than the final budget and actual expenditures exclusive of Transfers Out for 2025 were $31,941 less than the final budget.

Some of the major variances were:

- Departmental Income revenue was more than budgeted by $143,445 due to an increase in recreation department revenue.
- Use of Money and Property revenue was $293,713 more than budgeted due to increased interest revenues.
- Non-Property Tax revenue was $130,602 more than budgeted due to cannabis revenue and increases in sales tax revenue.
- State Aid revenue was $260,554 more than budgeted due to mortgage tax revenue and additional grant funding.
- Public Safety expenses were $167,071 less than budgeted due to reduced salary expenditures.

- General Government Support expenditures were $159,890 more than budgeted due to increased audit and legal expenses.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2025, net of accumulated depreciation, was $17,134,370, a decrease of $38,809. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction-in-progress.

Major capital asset activity during the current fiscal year included the following, net of accumulated depreciation:

Capital Assets, Net
December 31,

	2025	2024
Land	$ 4,106,929	$ 4,106,929
Construction-in-Progress	364,316	344,516
Buildings	819,012	848,011
Land Improvements	1,006,520	1,042,827
Machinery and Equipment	667,818	781,279
Infrastructure	10,169,775	10,049,617
Total	$ 17,134,370	$ 17,173,179

As a result, total capital assets decreased modestly by $38,809, reflecting depreciation exceeding current-year capital additions. Detailed information can be found in Note 3C in the notes to financial statements.

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Town had $1,880,000 general obligation debt outstanding, as compared to no general obligation debt in FY2024.

At the end of the current year, the Town had $2,020,000 of short-term bond anticipation notes ("BAN") which was a reduction of $1,460,000 as compared to the prior year. The Town issued a $1,880,000 statutory installment bond that paid down the previous BAN balance of $3,480,000. An additional $750,000 was issued and $330,000 was paid down in short-term BANS in 2025.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2025, the Town five-year average full valuation was $2,590,591,911 thereby establishing a constitutional debt limit of $181,341,434.

Detailed information regarding short-term and long-term debt activity can be found in Note 3D and 3E, in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

The outlook for 2026 focuses on trends as well as areas of volatility. Interest rates have stabilized and inflation can have an impact on rates going forward. The volatility in fuel prices also needs monitoring as we move forward with next year's budget. Mortgage tax revenue has also decreased since the post-pandemic surge but has been stable and consistent with budget expectations. Budget levels are conservatively set to operate at lower revenue levels in the near term due to economic uncertainty. The amount of long-term uncollected taxes remains at moderate levels and has to be monitored for impact on cash flow for operations and fund balance reserves. Management has a plan in place to address outstanding tax accounts and is monitoring this trend for multi-year forecasting. Although the Town has significant reserves in the health insurance account, management is aware that health insurance costs need to be monitored closely as uncertainty in the market conditions exist. General and Highway Fund assigned/unassigned fund balance equals 14.5% of expenditures which is within targeted fund balance levels. All of these factors were taken into consideration in developing the FY2026 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Pound Ridge's finances. Questions and comments concerning any of the information provided in this report should be addressed to Steven Conti, Director of Finance, Town of Pound Ridge, 179 Westchester Avenue, Pound Ridge, New York 10576.

Town of Pound Ridge, New York

Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	$ 5,184,499
Investments	1,812,889
Receivables	
Taxes, net	330,154
Accounts	113,872
State and Federal aid	706,777
Due from other governments	417,504
Prepaid expenses	686,740
Capital assets	
Not being depreciated	4,471,245
Being depreciated, net	12,663,125
Total Assets	26,386,805
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,399,974
OPEB related	603,708
Total Deferred Outflows of Resources	2,003,682
LIABILITIES	
Accounts payable	382,588
Deposits payable	723,774
Employee payroll deductions	840
Overpayments	22,152
Bond anticipation notes payable	2,020,000
Accrued interest payable	112,323
Non-current liabilities	
Due within one year	673,639
Due in more than one year	13,020,559
Total Liabilities	16,955,875
DEFERRED INFLOWS OF RESOURCES	
Pension related	96,987
OPEB related	1,560,880
Total Deferred Inflows of Resources	1,657,867
NET POSITION	
Net investment in capital assets	13,234,370
Restricted for	
Open space	5,832,079
Special Revenue Funds	
Trusts	226,454
Unrestricted	(9,516,158)
Total Net Position	$ 9,776,745

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

Town of Pound Ridge, New York

Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General government support	$ 2,936,076	$ 447,800	$ 286,790	$ -	$ (2,201,486)
Public safety	2,014,180	17,842	1,750	-	(1,994,588)
Health	213,762	-	-	-	(213,762)
Transportation	2,932,206	14,977	477,520	142,282	(2,297,427)
Economic opportunity and development	6,159	-	-	-	(6,159)
Culture and recreation	1,696,122	778,511	7,121	477	(910,013)
Home and community services	150,204	55,207	-	91,486	(3,511)
Interest	187,186	-	-	-	(187,186)
Total Governmental Activities	$ 10,135,895	$ 1,314,337	$ 773,181	$ 234,245	(7,814,132)

General revenues	
Real property taxes	6,811,949
Other tax items	
Interest and penalties on real property taxes	216,189
Non-property taxes	
Non-property tax distribution from County	1,424,446
Cable TV franchise fees	127,550
Cannabis tax	203,606
Unrestricted use of money and property	433,113
Sale of property and compensation for loss	61,925
Unrestricted State aid	468,806
Miscellaneous	17,123
Total General Revenues	9,764,707
Change in Net Position	1,950,575
NET POSITION	
Beginning	7,826,170
Ending	$ 9,776,745

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

Town of Pound Ridge, New York

Balance Sheet
Governmental Funds
December 31, 2025

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	$ 4,937,521	$ 115,993	$ 56,191
Investments	1,612,889	-	-
Taxes receivable, net	330,154	-	-
Other receivables			
Accounts	45,591	-	68,281
State and Federal aid	156,972	475,804	74,001
Due from other governments	417,504	-	-
Due from other funds	1,319,876	-	-
	1,939,943	475,804	142,282
Prepaid expenditures	522,796	163,944	-
Total Assets	$ 9,343,303	$ 755,741	$ 198,473
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 177,050	$ 50,682	$ -
Deposits payable	723,774	-	-
Employee payroll deductions	840	-	-
Due to other funds	-	735,490	710,983
Overpayments	22,152	-	-
Bond anticipation notes payable	-	-	2,020,000
Total Liabilities	923,816	786,172	2,730,983
Deferred inflows of resources			
Deferred tax revenues	307,222	-	-
Total Liabilities and Deferred Inflows of Resources	1,231,038	786,172	2,730,983
Fund balances (deficits)			
Nonspendable	522,796	163,944	-
Restricted	5,832,079	-	-
Assigned	228,000	-	-
Unassigned	1,529,390	(194,375)	(2,532,510)
Total Fund Balances (Deficits)	8,112,265	(30,431)	(2,532,510)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 9,343,303	$ 755,741	$ 198,473

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

Non-Major Governmental	Total Governmental Funds
$ 74,794	$ 5,184,499
200,000	1,812,889
-	330,154
-	113,872
-	706,777
-	417,504
126,597	1,446,473
126,597	2,684,626
-	686,740
$ 401,391	$ 10,698,908
$ 154,856	$ 382,588
-	723,774
-	840
-	1,446,473
-	22,152
-	2,020,000
154,856	4,595,827
-	307,222
154,856	4,903,049
-	686,740
226,454	6,058,533
20,081	248,081
-	(1,197,495)
246,535	5,795,859
$ 401,391	$ 10,698,908

(This page intentionally left blank)

Town of Pound Ridge, New York

Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2025

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

Fund Balance - Total Governmental Funds	$ 5,795,859
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	4,471,245
Capital assets - depreciable	44,393,008
Accumulated depreciation	(31,729,883)
	17,134,370
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	1,399,974
Deferred outflows - OPEB related	603,708
Deferred inflows - pension related	(96,987)
Deferred inflows - OPEB related	(1,560,880)
	345,815
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Real property taxes	307,222
Long-term liabilities and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(112,323)
Compensated absences	(102,939)
Net pension liability - ERS & PFRS	(1,423,512)
Total OPEB Liability	(10,287,747)
	(13,806,521)
Net Position of Governmental Activities	$ 9,776,745

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General	Highway	Capital Projects
REVENUES			
Real property taxes	$ 4,404,923	$ 2,416,983	$ -
Other tax items	216,189	-	-
Non-property taxes	1,755,602	-	-
Departmental income	860,445	12,105	-
Intergovernmental Charges	10,150	-	-
Use of money and property	482,713	976	477
Licenses and permits	288,173	-	-
Fines and forfeitures	90,992	-	-
Sale of property and compensation for loss	61,925	19,327	-
State aid	604,806	475,804	165,487
Federal aid	126,332	-	-
Miscellaneous	24,004	2,872	68,281
Total Revenues	8,926,254	2,928,067	234,245
EXPENDITURES			
Current			
General government support	2,496,288	-	-
Public safety	1,582,784	-	-
Health	213,762	-	-
Transportation	174,992	2,083,586	-
Economic opportunity and development	6,159	-	-
Culture and recreation	1,421,395	-	-
Home and community services	146,506	-	-
Employee benefits	1,837,080	624,601	-
Debt service			
Interest	69,684	104,526	-
Capital outlay	-	-	177,459
Total Expenditures	7,948,650	2,812,713	177,459
Excess (Deficiency) of Revenues Over Expenditures	977,604	115,354	56,786
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	1,880,000
Transfers in	-	-	330,000
Transfers out	(130,000)	(200,000)	-
Total Other Financing Sources (Uses)	(130,000)	(200,000)	2,210,000
Net Change in Fund Balances	847,604	(84,646)	2,266,786
FUND BALANCES (DEFICITS)			
Beginning of Year	7,264,661	54,215	(4,799,296)
End of Year	$ 8,112,265	$ (30,431)	$ (2,532,510)

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

Non-Major Governmental	Total Governmental Funds
$ 51,140	$ 6,873,046
-	216,189
-	1,755,602
-	872,550
-	10,150
7,839	492,005
-	288,173
-	90,992
-	81,252
-	1,246,097
-	126,332
22	95,179
59,001	12,147,567
-	2,496,288
-	1,582,784
-	213,762
224,892	2,483,470
-	6,159
10,250	1,431,645
-	146,506
-	2,461,681
-	174,210
-	177,459
235,142	11,173,964
(176,141)	973,603
-	1,880,000
-	330,000
-	(330,000)
-	1,880,000
(176,141)	2,853,603
422,676	2,942,256
$ 246,535	$ 5,795,859

(This page intentionally left blank)

Town of Pound Ridge, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2025

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

Net Change in Fund Balances - Total Governmental Funds	$ 2,853,603
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	673,063
Depreciation expense	(711,872)
	(38,809)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	(61,097)
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	(1,880,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(12,976)
Changes in pension liabilities and related deferred outflows and inflows of resources	84,199
Compensated absences	(24,702)
Retirement incentives and other pension obligations	2,418
Changes in OPEB liabilities and related deferred outflows and inflows of resources	1,027,939
	1,076,878
Change in Net Position of Governmental Activities	$ 1,950,575

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 4,395,442	$ 4,395,442	$ 4,404,923	$ 9,481
Other tax items	235,000	235,000	216,189	(18,811)
Non-property taxes	1,625,000	1,625,000	1,755,602	130,602
Departmental income	717,000	717,000	860,445	143,445
Intergovernmental Charges	9,000	9,000	10,150	1,150
Use of money and property	189,000	189,000	482,713	293,713
Licenses and permits	261,000	261,000	288,173	27,173
Fines and forfeitures	40,000	40,000	90,992	50,992
Sale of property and compensation for loss	28,000	28,000	61,925	33,925
State aid	344,252	344,252	604,806	260,554
Federal aid	100,000	100,000	126,332	26,332
Miscellaneous	40,000	40,000	24,004	(15,996)
Total Revenues	7,983,694	7,983,694	8,926,254	942,560
EXPENDITURES				
Current				
General government support	2,336,398	2,496,938	2,496,288	650
Public safety	1,749,855	1,601,655	1,582,784	18,871
Health	226,762	226,762	213,762	13,000
Transportation	184,564	177,374	174,992	2,382
Economic opportunity and development	6,100	6,160	6,159	1
Culture and recreation	1,413,112	1,404,902	1,421,395	(16,493)
Home and community services	186,500	155,900	146,506	9,394
Employee benefits	1,849,300	1,841,200	1,837,080	4,120
Debt service				
Interest	28,000	69,700	69,684	16
Total Expenditures	7,980,591	7,980,591	7,948,650	31,941
Excess of Revenues Over Expenditures	3,103	3,103	977,604	974,501
OTHER FINANCING USES				
Transfers out	(512,115)	(512,115)	(130,000)	382,115
Net Change in Fund Balances	(509,012)	(509,012)	847,604	1,356,616
FUND BALANCES (DEFICITS)				
Beginning of Year	509,012	509,012	7,264,661	6,755,649
End of Year	$ -	$ -	$ 8,112,265	$ 8,112,265

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

Highway Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 2,416,983	$ 2,416,983	$ 2,416,983	$ -
-	-	-	-
-	-	-	-
12,500	12,500	12,105	(395)
-	-	-	-
1,000	1,000	976	(24)
-	-	-	-
-	-	-	-
35,000	35,000	19,327	(15,673)
300,000	300,000	475,804	175,804
-	-	-	-
-	-	2,872	2,872
2,765,483	2,765,483	2,928,067	162,584
-	-	-	-
-	-	-	-
-	-	-	-
1,894,683	1,894,683	2,083,586	(188,903)
-	-	-	-
-	-	-	-
-	-	-	-
585,800	585,800	624,601	(38,801)
85,000	85,000	104,526	(19,526)
2,565,483	2,565,483	2,812,713	(247,230)
200,000	200,000	115,354	(84,646)
(200,000)	(200,000)	(200,000)	-
-	-	(84,646)	(84,646)
-	-	54,215	54,215
$ -	$ -	$ (30,431)	$ (30,431)

Town of Pound Ridge, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2025

	Custodial Fund
ASSETS	
Cash and equivalents	$ 8,083,034
Accounts receivable	12,851,258
Total Assets	$ 20,934,292
LIABILITIES	
Due to other governments	$ 20,934,292

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

Town of Pound Ridge, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2025

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	$ 39,288,768
DEDUCTIONS	
Payments of real property taxes to other governments	39,288,768
Net change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	-
End of Year	$ -

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

(This page intentionally left blank)

Note 1 - Summary of Significant Accounting Policies

The Town of Pound Ridge, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. 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 financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth in GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than capital projects. The major Special Revenue Fund of the Town is:

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 revenue of this fund is real property taxes.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds.

Special Revenue Funds:

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

Public Parking District Fund - The Public Parking District Fund is provided to account for the operation and maintenance of the Town's parking district.

b. Fiduciary Fund - (Not Included in Government-Wide Statements) - the Fiduciary fund is used to account for assets held by the Town on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Presentation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions. The Town's investments of $1,812,889 consists of certificates of deposits with original maturities of more than three months from the date of acquisition. These certificates of deposits mature periodically from May 4, 2026 through June 15, 2026.

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment to GASB Statement No.*

Note 1 - Summary of Significant Accounting Policies (Continued)

3", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025.

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

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

Taxes Receivable - Real property taxes attach as an enforceable lien and are levied on January 1st. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. The Town guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

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

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31,

Note 1 - Summary of Significant Accounting Policies (Continued)

2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

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

Class	Life in Years
Buildings and land improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts from grants received before the eligibility requirements have been met.

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

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

The Town has reported deferred inflows of resources of $307,222 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The Town does not compensate employees for unused vacation or sick leave upon separation from service. The liability for compensated absences represents the vacation and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Town's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (by use during employment) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The Town utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only

Note 1 - Summary of Significant Accounting Policies (Continued)

the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported.

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

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

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

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

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

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

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

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

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or

Note 1 - Summary of Significant Accounting Policies (Continued)

imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Revenue funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported

Note 1 - Summary of Significant Accounting Policies (Continued)

amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 22, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.

b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.

c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.

d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.

e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.

f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.

g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.

h) Budgets for General, Highway and the Public Parking District funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

i) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.

j) Appropriations in General, Highway and the Public Parking District funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

k) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.

l) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of two percent or the "Inflation Factor" provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the percentage change in the twelve month average National Consumer Price Indexes determined by the United States Department of Labor calculated six months before the start of the new fiscal year.

The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Fund Deficits

The unassigned deficit in the Capital Projects Fund of $2,532,510 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

The Highway Fund reflects an unassigned fund deficit of $194,375.

D. Expenditures in Excess of Budget

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund:		
General Government Support		
Buildings	$	50,094
Culture and Recreation		
Parks		44,539
Highway Fund:		
Current		
Transportation		188,903
Employee benefits		38,801
Debt service		
Interest		19,526

In addition, the overall total Highway Fund budget was over-expended by $247,230.

E. New Accounting Pronouncement

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the Town’s fiscal year ended December 31, 2025. Management has determined that no events have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2025 consisted of the following:

Town taxes - Current	$	71,548
Tax liens and overdue taxes		503,278
		574,826
Less - Allowance for Uncollected Taxes		(244,672)
	$	330,154

Taxes receivable in the fund financial statements are also offset by deferred tax revenues of $307,222, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2025 were as follows:

Fund	Due From	Due To
General	$ 1,319,876	$ -
Highway	-	735,490
Capital Projects	-	710,983
Non-Major Governmental	126,597	-
	$ 1,446,473	$ 1,446,473

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

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

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital Assets, not being depreciated:				
Land	$ 4,106,929	$ -	$ -	$ 4,106,929
Construction-in-progress	344,516	19,800	-	364,316
Total Capital Assets, not being depreciated	$ 4,451,445	$ 19,800	$ -	$ 4,471,245

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital Assets, being depreciated:				
Buildings	$ 2,556,435	$ -	-	$ 2,556,435
Land improvements	2,676,870	-		2,676,870
Machinery and equipment	5,070,301	79,344	-	5,149,645
Infrastructure	33,436,139	573,919	-	34,010,058
Total Capital Assets, being depreciated	43,739,745	653,263	-	44,393,008
Less Accumulated Depreciation for:				
Buildings	1,708,424	28,999	-	1,737,423
Land improvements	1,634,043	36,307	-	1,670,350
Machinery and equipment	4,289,022	192,805	-	4,481,827
Infrastructure	23,386,522	453,761	-	23,840,283
Total Accumulated Depreciation	31,018,011	711,872	-	31,729,883
Total Capital Assets, being depreciated, net	$ 12,721,734	$ (58,609)	$ -	$ 12,663,125
Capital Assets, net	$ 17,173,179	$ (38,809)	$ -	$ 17,134,370

Depreciation expense was charged to the Town’s functions and programs as follows:

General Government Support	$ 35,594
Public Safety	21,356
Transportation	605,091
Culture and Recreation	49,831
Total Depreciation Expense	$ 711,872

D. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

	Original Issue Date	Maturity Date	Rate of Interest	Balance January 1, 2025	Amount Issued	Redemptions	Balance December 31, 2025
Capital Projects Fund							
Various purposes	6/15/2018	-	- %	$ 855,000	$ -	$ 855,000	$ -
Various purposes	6/14/2019	-	-	50,000	-	50,000	-
Various purposes	6/12/2020	6/5/2026	3.99	1,825,000	-	805,000	1,020,000
Various purposes	6/10/2022	-	-	500,000	-	500,000	-
Various purposes	6/7/2024	6/5/2026	3.99	250,000	-	-	250,000
Various purposes	6/6/2025	6/5/2026	3.99	-	750,000	-	750,000
				$ 3,480,000	$ 750,000	$ 2,210,000	$ 2,020,000

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term

Note 3 - Detailed Notes on All Funds (Continued)

obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of $69,684 and $104,526 were recorded in the fund financial statements in the General and Highway funds, respectively. Interest expense of $139,273 was recorded in the government-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2025:

	Balance January 1, 2025	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2025	Due Within One Year
Statutory Installment Bonds Payable	$ -	$ 1,880,000	$ -	$ 1,880,000	$ 268,571
Other Non-current Liabilities:					
Compensated Absences	78,237	24,702 **	-	102,939	10,000
Net Pension Liability-ERS	824,866	251,742	-	1,076,608	-
Net Pension Liability-PFRS	183,653	163,251	-	346,904	-
Retirement Incentives and Other Pension Obligations	2,418	-	2,418	-	-
Other Post Employment Benefit Liability	10,636,569	989,869	1,338,691	10,287,747	395,068
	$ 11,725,743	$ 3,309,564	$ 1,341,109	$ 13,694,198	$ 673,639

**The change in the compensated absences liability is presented as a net change.

Each governmental fund's liability for statutory installment bonds payable, compensated absences, net pension liability, retirement incentives and other pension liabilities and other postemployment benefit liability payable are liquidated by the General and Highway funds.

Statutory Installment Bonds Payable

Statutory Installment Bonds payable at December 31, 2025 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2025
Various	2025	$ 1,880,000	May, 2032	4.46 %	$ 1,880,000

Interest expense of $47,913 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2025 including interest payments of $335,392 are as follows:

Year Ended December 31,	Principal	Interest
2026	$ 268,571	$ 83,848
2027	268,571	71,870
2028	268,571	59,891
2029	268,571	47,913
2030	268,571	35,935
2031-2032	537,145	35,935
	$ 1,880,000	$ 335,392

Compensated Absences

A full-time employee will be credited with 12 days of sick leave on annual basis and may accumulate a maximum of 200 days. The Town has elected to provide the benefit of section 41(j) of the NYS Retirement and Social Security Law that allows Tier 1 through 5 employees credit up to 165 days of accumulated sick leave, and Tier 6 employees up to 100 days of accumulated sick leave, at the time of retirement. An employee may carry-over up to 3 days of vacation leave into the following calendar year. At separation of employment there is no compensation for unused sick or vacation leave.

The value of all compensated absences represents the vacation and sick time and salary related payments earned for services previously rendered by employees as reflected in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town elected to amortize the maximum allowable ERS and PFRS contributions as noted in the table below.

Year	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2016	$ 122,110	$ 2,418	$ -	$ -

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2025, that amount was $181,343,434. As of December 31, 2025, the total outstanding debt applicable to the limit was $3,900,000, which is 2.2% of the total debt limit.

Pension Plans

New York State and Local Retirement System

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

Employees who joined ERS before January 1, 2010 contribute 3% of their salary for the first ten years of membership while those who joined on or after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Employees who joined PFRS generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ended March 31, 2025 are as follows:

	Tier/Plan	Rate
ERS	4 A15	17.6 %
	6 A15	11.2
PFRS	2 384D	34.8
	6 384D	24.3

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2025, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	ERS	PFRS
Measurement date	March 31, 2025	March 31, 2025
Net pension liability	$ 1,076,608	$ 346,904
Town's proportion of the net pension liability	0.0062792%	0.0057086%
Change in proportion since the prior measurement date	(0.000677)%	(0.001836)%

The net pension liability was measured as of March 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2025, the Town recognized its proportionate share of pension expense in the government-wide financial statements of 350,102 for ERS and $137,762 for PFRS. Pension expenditures of $450,065 for ERS and $121,998 for PFRS, inclusive of payments for retirement incentives and other pension obligations were recorded in the fund financial statements and were charged to the following funds:

	ERS	PFRS
General Fund	$ 302,379	$ 121,998
Highway Fund	147,686	-
	$ 450,065	$ 121,998

At December 31, 2025, the Town reported its proportionate share of deferred outflows and inflows of resources related to pensions from the following sources:

	ERS		PFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 267,221	$ 12,605	$ 115,549	$ -	$ 382,770	$ 12,605
Net difference between projected and actual earnings on pension plan investments	45,151	-	52,092	-	97,243	-
Changes of assumptions	84,468	-	13,334	-	97,802	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	233,666	38,167	151,237	46,215	384,903	84,382
Town contributions subsequent to the measurement date	347,430	-	89,826	-	437,256	-
	$ 977,936	$ 50,772	$ 422,038	$ 46,215	$ 1,399,974	$ 96,987

Note 3 - Detailed Notes on All Funds (Continued)

The $347,430 and $89,826 reported as deferred outflows of resources related to ERS and PFRS, respectively, result from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2026	$ 265,236	$ 120,512
2027	324,134	82,135
2028	(53,505)	27,275
2029	43,869	34,115
2030	-	21,960
	$ 579,734	$ 285,997

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

	ERS	PFRS
Measurement date	March 31, 2025	March 31, 2025
Actuarial valuation date	April 1, 2024	April 1, 2024
Investment rate of return	5.9%	5.9%
Salary scale	4.3%	6.0%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.54 %
International Equity	15	6.57
Private Equity	10	7.25
Real Estate	9	4.95
Opportunistic / ARS Portfolio	3	5.25
Credit	4	5.40
Real Assets	3	5.55
Fixed Income	23	2.00
Cash	1	0.25
	100 %	

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

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

The following presents the Town's proportionate share of the net pension liability 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 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the ERS net pension liability (asset)	$ 3,115,839	$ 1,076,608	$ (626,151)
Town's proportionate share of the PFRS net pension liability	$ 731,462	$ 346,904	$ 29,507

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2025 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	$ 247,600,239,000	$ 48,718,477,000	$ 296,318,716,000
ERS fiduciary net position	230,454,512,000	42,641,620,000	273,096,132,000
Employers' net pension liability	$ 17,145,727,000	$ 6,076,857,000	$ 23,222,584,000
ERS fiduciary net position as a percentage of total pension liability	93.08%	87.53%	92.16%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2025 represent the employer contribution for the period of April 1, 2025 through December 31, 2025 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2025 were $347,430 and $89,826, respectively.

Voluntary Defined Contribution Plan

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

Other Post-Employment Benefit ("OPEB")

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	46
Active employees	35
	81

Note 3 - Detailed Notes on All Funds (Continued)

The Town's total OPEB liability of $10,287,747 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025.

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

Inflation	2.50%
Salary increases	2.00%
Discount rate	4.41%
Healthcare cost trend rates	8.50% for 2025, decreasing to an ultimate rate of 4.037% for 2075
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy annuitants and then adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2025 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2015 to March 31, 2020 experience study released by the Retirement Systems Actuary and published in their August 2020 report.

The Town's change in the total OPEB liability for the year ended December 31, 2025 is as follows:

Total OPEB Liability - Beginning of Year	$ 10,636,569
Service cost	203,878
Interest	402,649
Changes of benefit terms	-
Differences between expected and actual experience	(984,087)
Changes in assumptions or other inputs	383,342
Benefit payments	(354,604)
Total OPEB Liability - End of Year	$ 10,287,747

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 (3.41%) or 1 percentage point higher (5.41%) than the current discount rate:

	1% Decrease (3.41%)	Current Discount Rate (4.41%)	1% Increase (5.41%)
Total OPEB Liability	$ 11,767,576	$ 10,287,747	$ 9,077,752

Note 3 - Detailed Notes on All Funds (Continued)

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 (7.50% decreasing to 3.037%) or 1 percentage point higher (9.50% decreasing to 5.037%) than the current healthcare cost trend rates:

	1% Decrease (7.50% decreasing to 3.037%)	Current Healthcare Cost Trend Rates (8.50% decreasing to 4.037%)	1% Increase (9.50% decreasing to 5.037%)
Total OPEB Liability	$ 8,945,537	$ 10,287,747	$ 11,946,046

For the year ended December 31, 2025, the Town recognized OPEB expense of ($1,027,939) in the government-wide financial statements. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 603,708	$ 765,949
Differences between expected and actual experience	-	794,931
	$ 603,708	$ 1,560,880

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

Year Ended December 31,	
2026	$ (473,211)
2027	(145,068)
2028	(210,244)
2029	(118,024)
2030	(10,625)
	$ (957,172)

Note 3 - Detailed Notes on All Funds (Continued)

F. Interfund Transfers

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

	Transfers In
Transfers Out	Capital Projects Fund
General Fund	$ 130,000
Highway Fund	200,000
	$ 330,000

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

G. Net Position

The components of net position are detailed below:

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

Restricted for Open Space - the component of net position that is established pursuant to New York State law. These amounts represents funds received from the real property taxes and may be used only for the acquisition of land with the Town.

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

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

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2025					2024				
	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Prepaid expenditures	$ 522,796	$ 163,944	$ -	$ -	$ 686,740	$ 448,666	$ 134,759	$ -	$ -	$ 583,425
Restricted										
Open Space	5,832,079	-	-	-	5,832,079	5,253,496	-	-	-	5,253,496
Trusts	-	-	-	226,454	226,454	-	-	-	229,583	229,583
Total Restricted	5,832,079	-	-	226,454	6,058,533	5,253,496	-	-	229,583	5,483,079
Assigned:										
Purchases on order										
Culture and Recreation	-	-	-	-	-	234,012	-	-	-	234,012
Subsequent years' expenditures	228,000	-	-	-	228,000	275,000	-	-	96,400	371,400
Non Major Funds										
Parking District	-	-	-	20,081	20,081	-	-	-	96,693	96,693
Total Assigned	228,000	-	-	20,081	248,081	509,012	-	-	193,093	702,105
Unassigned	1,529,390	(194,375)	(2,532,510)	-	(1,197,495)	1,053,487	(80,544)	(4,799,296)	-	(3,826,353)
Total Fund Balances	$ 8,112,265	$ (30,431)	$ (2,532,510)	$ 246,535	$ 5,795,859	$ 7,264,661	$ 54,215	$ (4,799,296)	$ 422,676	$ 2,942,256

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been established to account for costs paid in advance. The amount is classified as nonspendable to indicate that funds are not “available” for appropriation or expenditure even though they are a component of current assets.

Subsequent years’ expenditures represent that at December 31, 2025, the Town Board has assigned the above amounts to be appropriated for the ensuing year’s budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund and Highway Fund represents the deficit in the funds.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town’s financial position, if adversely settled.

There are also currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based upon the outcome of the litigation proceedings. However, the amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability coverage up to $1 million per occurrence and $3 million aggregate, public officials’ liability and police professional liability policies each provide coverage up to $1 million per occurrence and $2 million aggregate, and automobile liability coverage of $1 million per occurrence. The Town also maintains an umbrella policy which provides additional liability coverage up to $15 million per occurrence and $30 million aggregate. Workers’ compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town purchases conventional health insurance from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Subsequent Events

The Town in June 2026 issued a $1,820,000 bond anticipation renewal note with interest at 4.44% due in June 2027, to renew in part, the $2,020,000 bond anticipation renewal note maturing in June 2026 along with $200,000 payable from available funds.

Note 6 - Recently Issued GASB Pronouncements

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

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

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

*****

Town of Pound Ridge, New York

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

	2025 (7)	2024	2023 (6)	2022 (5)
Total OPEB Liability:				
Service cost	$ 203,878	$ 243,049	$ 244,464	$ 286,707
Interest	402,649	417,550	453,940	263,627
Changes of benefit terms	-	-	(657,308)	-
Differences between expected and actual experience	(984,087)	-	(11,780)	-
Changes of assumptions or other inputs *	383,342	(659,728)	833,273	(3,856,407)
Benefit payments	(354,604)	(393,714)	(390,620)	(354,676)
Net Change in Total OPEB Liability	(348,822)	(392,843)	471,969	(3,660,749)
Total OPEB Liability – Beginning of Year	10,636,569	11,029,412	10,557,443	14,218,192
Total OPEB Liability – End of Year	$ 10,287,747	$ 10,636,569	$ 11,029,412	$ 10,557,443
Town's covered-employee payroll	$ 3,155,253	$ 3,015,166	$ 2,743,644	$ 2,830,281
Total OPEB liability as a percentage of covered-employee payroll	326.05%	352.77%	402.00%	373.02%
* Discount Rate	4.41%	4.16%	3.77%	4.05%

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*".

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

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

(4) The annual rate of increase in healthcare costs was revised based on the SOA Long-Term Healthcare Cost Trends Model 2022 (Getzen model) which increased the liability. The terms of the substantive plan were revised to reflect the restated summary plan description whereby the coordination with medicare method was changed from coordination of benefits to the exclusion method. This resulted in a substantial decrease in the liability.

(5) The annual rate of increase in healthcare costs was revised based on the SOA Long-Term Healthcare Cost Trends Model 2023 (Getzen model). The revised assumption resulted in an increase in the liability, offset by the increase in the discount rate which reduced the liability.

(6) There was a change in benefit terms ratified on December 13, 2022 and valued as of January 1, 2023 measurement date as elected officials are eligible for retiree health benefits at a 25% contribution rate upon reaching 12 years of service and employees hired on or after January 2010 who have completed at least 20 years of service now contribute 25% of the premium for all coverage.

(6) Reasons for the decrease in liability include demographic changes different than those assumed, less than expected increase in claim costs, benefit payments made to retirees, increase in discount rate, updated mortality table to PUB - 2016 and net effect of revised NYS turnover and retirement decrement assumptions.

See independent auditors' report.

	2021 (4)	2020	2019	2018	
	$ 264,753	$ 296,417	$ 298,180	$ 354,833	
	271,197	433,810	618,176	563,107	
	-	-	-	-	
	(3,292,128)	-	(3,385,948)	-	
	28,626	1,270,598	3,182,143	(2,138,598)	
	(332,263)	(402,604)	(343,981)	(251,212)	
	(3,059,815)	1,598,221	368,570	(1,471,870)	
	17,278,007	15,679,786	15,311,216	16,783,086	(3)
	$ 14,218,192	$ 17,278,007	$ 15,679,786	$ 15,311,216	
	$ 2,348,564	$ 2,579,299	$ 2,386,561	$ 2,357,729	
	605.40%	669.87%	657.00%	649.41%	
	1.84%	2.00%	2.75%	3.71%	

Town of Pound Ridge, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years

Schedule of the Town's Proportionate Share of the Net Pension Liability (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Town's proportion of the net pension liability (asset)	0.0062792%	0.0056022%	0.0061769%	0.0064146%
Town's proportionate share of the net pension liability (asset)	$ 1,076,608	$ 824,866	$ 1,324,575	$ (524,367)
Town's covered payroll	$ 2,915,884	$ 2,691,655	$ 2,304,291	$ 2,509,792
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.92%	30.65%	57.48%	-20.89%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	$ 463,106	$ 403,396	$ 332,586	$ 410,029
Contributions in relation to the contractually required contribution	(463,106)	(403,396)	(332,586)	(410,029)
Contribution excess	$ -	$ -	$ -	$ -
Town's covered payroll	$ 3,195,744	$ 2,909,625	$ 2,676,092	$ 2,610,460
Contributions as a percentage of covered payroll	14.49%	13.86%	12.43%	15.71%

(1) The amounts presented for each fiscal year were determined as of the March 31, measurement date within the current fiscal year.
(2) Increase in the Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(3) Decrease in the Town's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2021 (3)	2020 (2)	2019	2018	2017	2016
0.0057523%	0.0060910%	0.0066074%	0.0065297%	0.0069891%	0.0075174%
$ 5,728	$ 1,612,933	$ 468,153	$ 210,744	$ 656,713	$ 1,206,571
$ 2,524,901	$ 2,197,665	$ 2,381,729	$ 2,424,695	$ 2,403,073	$ 2,325,621
0.23%	73.39%	19.66%	8.69%	27.33%	51.88%
99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

2021	2020	2019	2018	2017	2016
$ 457,713	$ 386,273	$ 414,495	$ 438,751	$ 431,463	$ 478,300
(457,713)	(386,273)	(414,495)	(438,751)	(431,463)	(478,300)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,629,751	$ 2,443,776	$ 2,294,107	$ 2,466,402	$ 2,367,251	$ 2,429,484
17.41%	15.81%	18.07%	17.79%	18.23%	19.69%

Town of Pound Ridge, New York

Required Supplementary Information
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years

Schedule of the Town's Proportionate Share of the Net Pension Liability (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Town's proportion of the net pension liability	0.0057086%	0.0038722%	0.0053840%	0.0055104%
Town's proportionate share of the net pension liability	$ 346,904	$ 183,653	$ 296,683	$ 31,302
Town's covered payroll	$ 342,013	$ 316,036	$ 287,805	$ 473,476
Town's proportionate share of the net pension liability as a percentage of its covered payroll	101.43%	58.11%	103.08%	6.61%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	$ 119,768	$ 113,026	$ 91,002	$ 67,210
Contributions in relation to the contractually required contribution	(119,768)	(113,026)	(91,002)	(67,210)
Contribution excess	$ -	$ -	$ -	$ -
Town's covered payroll	$ 355,515	$ 337,973	$ 318,243	$ 348,860
Contributions as a percentage of covered payroll	33.69%	33.44%	28.60%	19.27%

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

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

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

See independent auditors' report.

2021 (3)	2020 (2)	2019	2018	2017	2016
0.0081167%	0.0089845%	0.0095725%	0.0096490%	0.0104459%	0.0116927%
$ 140,928	$ 480,217	$ 160,538	$ 97,528	$ 215,607	$ 346,196
$ 488,022	$ 457,041	$ 452,006	$ 556,691	$ 481,941	$ 481,713
28.88%	105.07%	35.52%	17.52%	44.74%	71.87%
95.79%	84.86%	95.09%	96.93%	93.50%	90.20%
5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

2021	2020	2019	2018	2017	2016
$ 147,451	$ 124,298	$ 116,893	$ 132,100	$ 124,211	$ 132,124
(147,451)	(124,298)	(116,893)	(132,100)	(124,211)	(132,124)
$ -	$ -	$ -	$ -	$ -	$ -
$ 408,987	$ 490,755	$ 569,483	$ 509,111	$ 461,746	$ 504,431
36.05%	25.33%	20.53%	25.95%	26.90%	26.19%

(This page intentionally left blank)

Town of Pound Ridge, New York

General Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 4,937,521	$ 2,303,790
Investments	1,612,889	3,727,602
Taxes receivable		
Town taxes	574,826	598,268
Allowance for uncollectible amounts	(244,672)	(187,754)
	330,154	410,514
Receivables		
Accounts	45,591	46,726
State and Federal aid	156,972	-
Due from other governments	417,504	487,432
Due from other funds	1,319,876	1,471,292
	1,939,943	2,005,450
Prepaid expenditures	522,796	448,666
Total Assets	$ 9,343,303	$ 8,896,022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 177,050	$ 492,672
Deposits payable	723,774	586,463
Employee payroll deductions	840	37,838
Overpayments	22,152	21,487
Unearned revenue	-	124,582
Total Liabilities	923,816	1,263,042
Deferred inflows of resources		
Deferred tax revenues	307,222	368,319
Total Liabilities and Deferred Inflows of Resources	1,231,038	1,631,361
Fund balance		
Nonspendable	522,796	448,666
Restricted	5,832,079	5,253,496
Assigned	228,000	509,012
Unassigned	1,529,390	1,053,487
Total Fund Balance	8,112,265	7,264,661
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 9,343,303	$ 8,896,022

See independent auditors' report.

Town of Pound Ridge, New York

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 4,395,442	$ 4,395,442	$ 4,404,923	$ 9,481
Other tax items	235,000	235,000	216,189	(18,811)
Non-property taxes	1,625,000	1,625,000	1,755,602	130,602
Departmental income	717,000	717,000	860,445	143,445
Intergovernmental Charges	9,000	9,000	10,150	1,150
Use of money and property	189,000	189,000	482,713	293,713
Licenses and permits	261,000	261,000	288,173	27,173
Fines and forfeitures	40,000	40,000	90,992	50,992
Sale of property and compensation for loss	28,000	28,000	61,925	33,925
State aid	344,252	344,252	604,806	260,554
Federal aid	100,000	100,000	126,332	26,332
Miscellaneous	40,000	40,000	24,004	(15,996)
Total Revenues	7,983,694	7,983,694	8,926,254	942,560
EXPENDITURES				
Current				
General government support	2,336,398	2,496,938	2,496,288	650
Public safety	1,749,855	1,601,655	1,582,784	18,871
Health	226,762	226,762	213,762	13,000
Transportation	184,564	177,374	174,992	2,382
Economic opportunity and development	6,100	6,160	6,159	1
Culture and recreation	1,413,112	1,404,902	1,421,395	(16,493)
Home and community services	186,500	155,900	146,506	9,394
Employee benefits	1,849,300	1,841,200	1,837,080	4,120
Debt service				
Interest	28,000	69,700	69,684	16
Total Expenditures	7,980,591	7,980,591	7,948,650	31,941
Excess (Deficiency) of Revenues Over Expenditures	3,103	3,103	977,604	974,501
OTHER FINANCING USES				
Transfers out	(512,115)	(512,115)	(130,000)	382,115
Net Change in Fund Balance	(509,012)	(509,012)	847,604	1,356,616
FUND BALANCE				
Beginning of Year	509,012	509,012	7,264,661	6,755,649
End of Year	$ -	$ -	$ 8,112,265	$ 8,112,265

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 4,365,244	$ 4,365,244	$ 4,408,118	$ 42,874
235,000	235,000	267,242	32,242
1,435,000	1,435,000	1,620,693	185,693
691,200	695,200	798,567	103,367
-	-	-	-
239,000	239,000	540,953	301,953
252,000	252,000	364,081	112,081
40,000	40,000	77,979	37,979
32,800	32,800	53,025	20,225
409,252	409,252	301,797	(107,455)
121,000	121,000	40,576	(80,424)
40,000	40,000	69,858	29,858
7,860,496	7,864,496	8,542,889	678,393
2,476,878	2,514,246	2,406,554	107,692
1,785,419	1,785,419	1,565,414	220,005
208,000	208,000	198,588	9,412
181,821	181,821	173,232	8,589
6,100	6,100	5,900	200
1,152,715	1,167,565	1,126,243	41,322
282,100	187,100	171,770	15,330
1,738,300	1,738,300	1,783,303	(45,003)
50,000	96,782	96,782	-
7,881,333	7,885,333	7,527,786	357,547
(20,837)	(20,837)	1,015,103	1,035,940
(529,163)	(529,163)	(166,150)	363,013
(550,000)	(550,000)	848,953	1,398,953
550,000	550,000	6,415,708	5,865,708
$ -	$ -	$ 7,264,661	$ 7,264,661

Town of Pound Ridge, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended December 31, 2025
(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
REAL PROPERTY TAXES	$ 4,395,442	$ 4,395,442	$ 4,404,923	$ 9,481	$ 4,408,118
OTHER TAX ITEMS					
Payment in lieu of taxes	5,000	5,000	-	(5,000)	5,000
Interest and penalties on real property taxes	230,000	230,000	216,189	(13,811)	262,242
	235,000	235,000	216,189	(18,811)	267,242
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,340,000	1,340,000	1,424,446	84,446	1,363,595
Cable TV franchise fees	135,000	135,000	127,550	(7,450)	163,099
Cannabis tax	150,000	150,000	203,606	53,606	93,999
	1,625,000	1,625,000	1,755,602	130,602	1,620,693
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	8,885	1,885	9,283
Safety inspection fees	20,000	20,000	17,842	(2,158)	27,192
Parks and recreation charges	448,000	448,000	556,556	108,556	477,314
Pool fees	200,000	200,000	221,955	21,955	233,205
Zoning fees	1,000	1,000	1,800	800	1,680
Planning board fees	6,000	6,000	8,430	2,430	4,060
Refuse and garbage charges	35,000	35,000	44,977	9,977	45,833
	717,000	717,000	860,445	143,445	798,567
INTERGOVERNMENTAL CHARGES					
Election fees	9,000	9,000	10,150	1,150	-
USE OF MONEY AND PROPERTY					
Interest earnings	135,000	135,000	433,113	298,113	483,253
Rental of real property	54,000	54,000	49,600	(4,400)	57,700
	189,000	189,000	482,713	293,713	540,953
LICENSES AND PERMITS					
Business and occupational licenses	8,000	8,000	7,000	(1,000)	6,000
Dog and other licenses	3,000	3,000	5,120	2,120	4,830
Permits	250,000	250,000	276,053	26,053	353,251
	261,000	261,000	288,173	27,173	364,081
FINES AND FORFEITURES					
Fines and forfeited bail	40,000	40,000	90,992	50,992	77,979

(Continued)

General Fund
Schedule of Revenues Compared to Budget (Continued)
Year Ended December 31, 2025
(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Insurance recoveries	$ -	$ -	$ -	$ -	$ 22,351
Sale of refuse for recycling	-	-	-	-	554
Miscellaneous	28,000	28,000	61,925	33,925	30,120
	28,000	28,000	61,925	33,925	53,025
STATE AID					
Aid and incentives for municipalities	19,252	19,252	19,252	-	19,252
Mortgage tax	300,000	300,000	449,554	149,554	275,798
Other	25,000	25,000	136,000	111,000	6,747
	344,252	344,252	604,806	260,554	301,797
FEDERAL AID					
Public Safety	100,000	100,000	126,332	26,332	40,576
MISCELLANEOUS					
Refund of prior year's expenditures	10,000	10,000	16,458	6,458	36,164
Gifts and donations	30,000	30,000	6,881	(23,119)	33,586
Unclassified	-	-	665	665	108
	40,000	40,000	24,004	(15,996)	69,858
TOTAL REVENUES	$ 7,983,694	$ 7,983,694	$ 8,926,254	$ 942,560	$ 8,542,889

See independent auditors' report.

Town of Pound Ridge, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2025
(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	$ 76,994	$ 186,994	$ 168,416	$ 18,578	$ 136,516
Town Justice	209,067	209,067	200,910	8,157	192,693
Supervisor	144,399	144,399	143,726	673	136,489
Grants Administrator	20,800	20,900	20,900	-	20,000
Finance	231,000	186,000	182,557	3,443	177,967
Audit	55,000	125,000	125,000	-	69,600
Tax collection	128,862	128,862	128,773	89	123,525
Assessor	147,454	134,854	131,176	3,678	162,790
Town Clerk	144,597	153,897	151,564	2,333	189,901
Town Attorney	122,080	208,780	208,761	19	221,029
Engineering	10,000	16,900	16,853	47	13,409
Elections	15,450	15,450	11,610	3,840	16,084
Buildings	559,970	559,970	610,064	(50,094)	561,774
Central printing and mailing	20,000	27,000	26,835	165	17,921
Data processing	178,000	206,600	206,554	46	210,695
Unallocated insurance	130,000	141,900	141,849	51	137,070
Municipal association dues	2,225	2,225	1,975	250	2,100
Metropolitan commuter transportation mobility tax	13,000	8,900	8,891	9	13,422
Judgments and claims	10,000	-	-	-	-
Taxes and assessments on property	17,500	17,500	9,874	7,626	3,569
Contingency	100,000	1,740	-	1,740	-
	2,336,398	2,496,938	2,496,288	650	2,406,554
PUBLIC SAFETY					
Administration	14,500	14,800	14,785	15	11,742
Police	1,340,325	1,199,825	1,188,234	11,591	1,189,711
Communication system	87,500	79,000	78,637	363	81,072
Traffic control	4,000	4,000	3,456	544	2,026
Animal control	5,000	5,500	5,453	47	5,712
Safety inspection	298,530	298,530	292,219	6,311	275,151
	1,749,855	1,601,655	1,582,784	18,871	1,565,414
HEALTH					
Addiction control	23,000	23,000	10,000	13,000	17,000
Ambulance	203,762	203,762	203,762	-	181,588
	226,762	226,762	213,762	13,000	198,588
TRANSPORTATION					
Highway administration	129,564	130,674	130,569	105	122,214
Garage	51,000	42,700	41,997	703	48,106
Street lighting	4,000	4,000	2,426	1,574	2,912
	184,564	177,374	174,992	2,382	173,232
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Programs for the aging	6,100	6,160	6,159	1	5,900

(Continued)

Town of Pound Ridge, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended December 31, 2025
(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
CULTURE AND RECREATION					
Recreation administration	$ 177,920	$ 177,920	$ 174,605	$ 3,315	$ 168,644
Parks	245,297	245,297	289,836	(44,539)	216,234
Community Center	220,192	220,192	206,316	13,876	8,590
Camp	387,000	391,890	391,890	-	366,498
Pool	289,198	262,398	258,324	4,074	277,578
Band concerts	5,000	5,000	4,767	233	2,398
Museum	4,200	4,900	2,703	2,197	7,142
Historian	8,500	8,500	4,252	4,248	6,012
Historical property	3,400	3,800	3,775	25	3,838
Celebrations	25,000	35,000	34,922	78	26,585
Adult recreation	47,405	50,005	50,005	-	42,724
	1,413,112	1,404,902	1,421,395	(16,493)	1,126,243
HOME AND COMMUNITY SERVICES					
Zoning and appeals	9,900	9,900	9,484	416	8,339
Planning Board	72,500	63,100	60,564	2,536	65,482
Environmental Protection	10,000	3,800	3,777	23	4,648
Water	8,000	19,800	19,800	-	15,711
Recycling	22,000	22,000	19,177	2,823	33,692
Water control	24,200	24,200	23,967	233	23,328
Shade trees	20,000	-	-	-	3,280
Conservation advisory	14,900	8,100	6,737	1,363	14,290
Cemeteries	5,000	5,000	3,000	2,000	3,000
	186,500	155,900	146,506	9,394	171,770
EMPLOYEE BENEFITS					
State retirement	295,000	302,400	302,379	21	257,266
Police and fire retirement	115,000	122,000	121,998	2	101,459
Social security	282,000	282,000	280,308	1,692	274,276
Workers' compensation benefits	69,000	69,200	69,130	70	60,122
Unemployment benefits	1,000	3,700	3,685	15	-
Disability insurance	2,300	2,300	-	2,300	9,029
Hospital, medical and dental benefits	1,085,000	1,059,600	1,059,580	20	1,081,151
	1,849,300	1,841,200	1,837,080	4,120	1,783,303
DEBT SERVICE					
Interest					
Bond anticipation notes	28,000	69,700	69,684	16	96,782
TOTAL EXPENDITURES	7,980,591	7,980,591	7,948,650	31,941	7,527,786
OTHER FINANCING USES					
Transfers out					
Open Space Reserve	382,115	382,115	-	382,115	-
Capital Projects Fund	130,000	130,000	130,000	-	150,000
Special Purpose Fund	-	-	-	-	16,150
TOTAL FINANCING USES	512,115	512,115	130,000	382,115	166,150
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 8,492,706	$ 8,492,706	$ 8,078,650	$ 414,056	$ 7,693,936

See independent auditors' report.

(This page intentionally left blank)

Town of Pound Ridge, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 115,993	$ -
State and Federal aid	475,804	447,774
Prepaid expenditures	163,944	134,759
Total Assets	$ 755,741	$ 582,533
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	$ 50,682	$ 340,731
Due to other funds	735,490	187,587
Total Liabilities	786,172	528,318
Fund Balance (Deficit)		
Nonspendable	163,944	134,759
Unassigned	(194,375)	(80,544)
Total Fund Balance (Deficit)	(30,431)	54,215
Total Liabilities and Fund Balance (Deficit)	$ 755,741	$ 582,533

See independent auditors' report.

Town of Pound Ridge, New York

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 2,416,983	$ 2,416,983	$ 2,416,983	$ -
Departmental income	12,500	12,500	12,105	(395)
Use of money and property	1,000	1,000	976	(24)
Interfund revenues	-	-	-	-
Sale of property and compensation for loss	35,000	35,000	19,327	(15,673)
State aid	300,000	300,000	475,804	175,804
Federal aid	-	-	-	-
Miscellaneous	-	-	2,872	2,872
Total Revenues	2,765,483	2,765,483	2,928,067	162,584
EXPENDITURES				
Current				
Transportation	1,894,683	1,894,683	2,083,586	(188,903)
Employee benefits	585,800	585,800	624,601	(38,801)
Debt service				
Interest	85,000	85,000	104,526	(19,526)
Total Expenditures	2,565,483	2,565,483	2,812,713	(247,230)
Excess of Revenues Over Expenditures	200,000	200,000	115,354	(84,646)
OTHER FINANCING USES				
Transfers out	(200,000)	(200,000)	(200,000)	-
Net Change in Fund Balance	-	-	(84,646)	(84,646)
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	54,215	54,215
End of Year	$ -	$ -	$ (30,431)	$ (30,431)

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 2,259,278	$ 2,259,278	$ 2,259,278	$ -
13,000	13,000	11,737	(1,263)
500	500	1,656	1,156
-	-	13,951	13,951
35,000	35,000	12,080	(22,920)
180,000	180,000	447,774	267,774
60,000	60,000	-	(60,000)
-	-	-	-
2,547,778	2,547,778	2,746,476	198,698
1,673,978	1,673,978	1,779,252	(105,274)
548,800	548,800	560,357	(11,557)
100,000	100,000	129,042	(29,042)
2,322,778	2,322,778	2,468,651	(145,873)
225,000	225,000	277,825	52,825
(225,000)	(225,000)	(200,000)	25,000
-	-	77,825	77,825
-	-	(23,610)	(23,610)
$ -	$ -	$ 54,215	$ 54,215

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 56,191	$ 55,713
Receivables		
Accounts	68,281	-
State and Federal aid	74,001	-
	142,282	-
Total Assets	$ 198,473	$ 55,713
LIABILITIES AND FUND DEFICIT		
Liabilities		
Due to other funds	$ 710,983	$ 1,375,009
Bond anticipation notes payable	2,020,000	3,480,000
Total Liabilities	2,730,983	4,855,009
Fund deficit		
Unassigned	(2,532,510)	(4,799,296)
Total Liabilities and Fund Deficit	$ 198,473	$ 55,713

See independent auditors' report.

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Use of money and property	$ 477	$ 449
State aid	165,487	-
Miscellaneous	68,281	-
Total Revenues	234,245	449
EXPENDITURES		
Capital outlay	177,459	145,607
Excess (Deficiency) of Revenues Over Expenditures	56,786	(145,158)
OTHER FINANCING SOURCES		
General obligation bonds issued	1,880,000	-
Transfers in	330,000	350,000
Total Other Financing Sources	2,210,000	350,000
Net Change in Fund Balance	2,266,786	204,842
FUND DEFICIT		
Beginning of Year	(4,799,296)	(5,004,138)
End of Year	$ (2,532,510)	$ (4,799,296)

See independent auditors' report.

Town of Pound Ridge, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2025
(With Comparative Totals for 2024)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds 2025	Total Non-Major Governmental Funds 2024
ASSETS				
Cash and equivalents	$ 26,454	$ 48,340	$ 74,794	$ 131,372
Investments	200,000	-	200,000	200,000
Due from other funds	-	126,597	126,597	91,304
Total Assets	$ 226,454	$ 174,937	$ 401,391	$ 422,676
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 154,856	$ 154,856	$ -
FUND BALANCE				
Restricted	$ 226,454	$ -	$ 226,454	$ 229,583
Assigned	-	20,081	20,081	193,093
Total Fund Balances	226,454	20,081	246,535	422,676
Total Liabilities and Fund Balances	$ 226,454	$ 174,937	$ 401,391	$ 422,676

See independent auditors' report.

Town of Pound Ridge, New York

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds 2025	Total Non-Major Governmental Funds 2024
REVENUES				
Real property taxes	$ -	$ 51,140	$ 51,140	$ 49,400
Use of money and property	7,099	740	7,839	13,206
Miscellaneous	22	-	22	-
Total Revenues	7,121	51,880	59,001	62,606
EXPENDITURES				
Current				
Transportation	-	224,892	224,892	58,809
Culture and recreation	10,250	-	10,250	9,350
Total Expenditures	10,250	224,892	235,142	68,159
Deficiency of Revenues Over Expenditures	(3,129)	(173,012)	(176,141)	(5,553)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	16,150
Net Change in Fund Balance	(3,129)	(173,012)	(176,141)	10,597
FUND BALANCES				
Beginning of Year	229,583	193,093	422,676	412,079
End of Year	$ 226,454	$ 20,081	$ 246,535	$ 422,676

See independent auditors' report.

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 26,454	$ 29,583
Investments	200,000	200,000
Total Assets	$ 226,454	$ 229,583
FUND BALANCE		
Restricted	$ 226,454	$ 229,583

See independent auditors' report.

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Use of money and property	$ 7,099	$ 11,498
Miscellaneous	22	-
	7,121	11,498
EXPENDITURES		
Current		
Culture and recreation	10,250	9,350
Excess (Deficiency) of Revenues Over Expenditures	(3,129)	2,148
OTHER FINANCING SOURCES		
Transfers in	-	16,150
Net Change in Fund Balance	(3,129)	18,298
FUND BALANCE		
Beginning of Year	229,583	211,285
End of Year	$ 226,454	$ 229,583

See independent auditors' report.

(This page intentionally left blank)

Town of Pound Ridge, New York

Public Parking District Fund
Comparative Balance Sheet
December 31,

		2025		2024
ASSETS				
Cash and equivalents	$	48,340	$	101,789
Due from other funds		126,597		91,304
Total Assets	$	174,937	$	193,093
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	$	154,856	$	-
Fund Balance				
Assigned		20,081		193,093
Total Fund Balance	$	174,937	$	193,093

See independent auditors' report.

Town of Pound Ridge, New York

Public Parking District Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 51,140	$ 51,140	$ 51,140	$ -
Use of money and property	500	500	740	240
Total Revenues	51,640	51,640	51,880	240
EXPENDITURES				
Current				
Transportation	148,040	148,040	224,892	(76,852)
Deficiency Revenues Over Expenditures	(96,400)	(96,400)	(173,012)	(76,612)
FUND BALANCE				
Beginning of Year	96,400	96,400	193,093	96,693
End of Year	$ -	$ -	$ 20,081	$ 20,081

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 49,400	$ 49,400	$ 49,400	$ -
200	200	1,708	1,508
49,600	49,600	51,108	1,508
146,000	146,000	58,809	87,191
(96,400)	(96,400)	(7,701)	88,699
96,400	96,400	200,794	104,394
$ -	$ -	$ 193,093	$ 193,093