



TOWN OF WHITESTOWN,
NEW YORK

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
December 31, 2024

**TOWN OF WHITESTOWN, NEW YORK
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Independent Auditor's Report

Town Board
Town of Whitestown, New York

Qualified and Unmodified 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 Whitestown, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Whitestown, New York's basic financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities fund of the Town of Whitestown as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund, and the Aggregate Remaining Fund Information

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

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Whitestown, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unqualified audit opinions.

Matter Giving Rise to Qualified Opinions on Governmental Activities

Our audit did not include the substantiation of fixed assets. We were unable to obtain sufficient appropriate audit evidence to support the fixed assets. Complete fixed asset records were not maintained by the Town which would affect the assets, net position, and the expenses for the governmental activities. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Change in Accounting Principle

As discussed in Note 1 and Note 10 to the financial statements, in 2024 the Town of Whitestown adopted new accounting guidance, GASB No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4-15 and 43-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Whitestown, New York's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major

See Independent Auditor's Report.

fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

D'Arcangelo + Co., LLP

March 31, 2026

Rome, New York

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

The Town of Whitestown, New York’s discussion and analysis of financial performance provides an overall review of the Town’s financial activities for the fiscal year ended December 31, 2024. The intent of this discussion and analysis is to look at the Town’s financial performance as a whole. This section will explain the differences between the current and prior-year assets, liabilities, and changes in net position. This should be read in conjunction with the financial statements, which immediately follow this section.

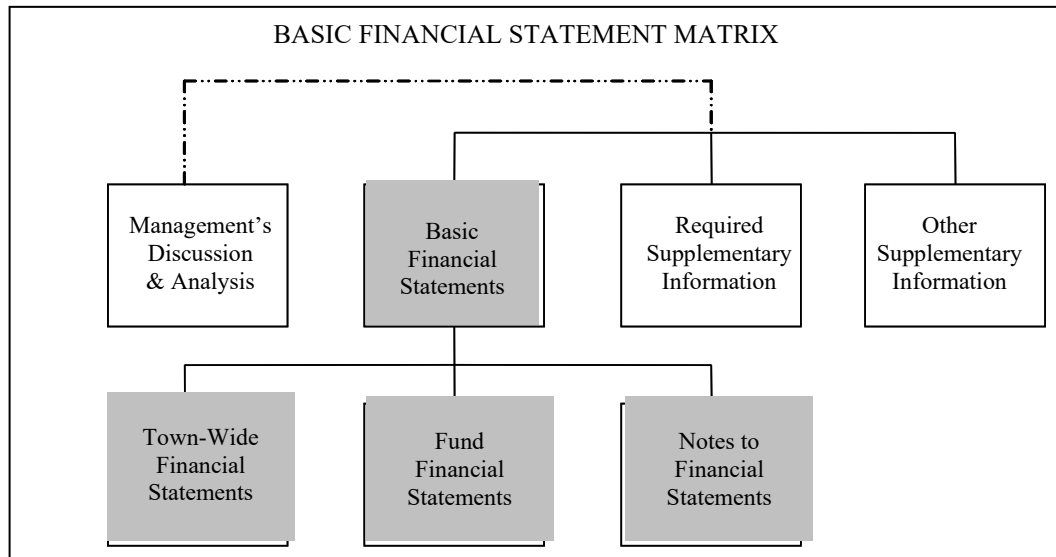
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The Town’s total Net Position, as reflected in the Town-wide financial statements, increased by \$541,700. This increase is primarily the result of Sales Tax receipts exceeding budget expectations by \$616,204.
- The Town’s expenses for the year, as reflected in the Town-wide financial statements, totaled \$9,165,220. This amount was directly offset by the following revenue sources: \$859,855 for charges for services, \$267,823 for operating grants, and \$538,960 for capital grants. General revenues of \$8,040,282 amount to 83% of total revenues.
- The General Whole Town Fund’s total fund balance, as reflected in the fund financial statements on pages 18 and 20, increased by \$474,656 to a balance of \$2,562,577. This was primarily due to actual revenues exceeding the budget by \$508,114, over expended budgeted appropriations of \$4,290, and a 2024 appropriated fund balance of \$29,168, as shown on page 46.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management’s discussion and analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of Town-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



See Independent Auditor’s Report.

TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

A. Town-wide Financial Statements

The Town-wide financial statements are organized to provide an understanding of the fiscal performance of the Town as a whole in a manner similar to a private sector business. There are two Town-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Town's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

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

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Town are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources, and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Town-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Town's operations and the services it provides.

Because the focus of governmental funds is narrower than that of Town-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Town-wide financial statements. By doing so, you may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains seven major individual governmental funds: General Whole Town, General Part Town, Highway Whole Town, Highway Part Town, Sewer, Water, and Capital funds, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in its capacity as agent or trustee. All of the Town's fiduciary activities are reported in a Custodial Fund in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the Town's Town-wide financial statements because the Town cannot use these assets to finance its operations.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

3. FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A. Net Position

The Town's total net position increased \$478,804 fiscal year 2024 and 2023. The increase from operation was \$541,700. The January 1, 2024 net position was reduced by \$62,896 due to the implementation of GASB Statement 101, *Compensated Absences*. The decrease is not reflected in the 2023 amounts below. A summary of the Town's Statement of Net Position at December 31, 2024 and 2023, are as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 10,267,423	\$ 9,741,285	\$ 526,138	5.4%
Capital Assets, (Net of Accumulated Depreciation)	<u>19,103,367</u>	<u>18,906,201</u>	<u>197,166</u>	1.0%
Total Assets	<u>\$ 29,370,790</u>	<u>\$ 28,647,486</u>	<u>\$ 723,304</u>	2.5%
Deferred Outflows	<u>\$ 4,793,607</u>	<u>\$ 4,885,415</u>	<u>\$ (91,808)</u>	(1.9%)
Non-Current Liabilities	\$ 14,035,957	\$ 12,521,362	\$ 1,514,595	12.1%
Net Pension Liability - Proportionate Share	1,672,453	2,182,236	(509,783)	(23.4%)
Other Liabilities	<u>2,060,139</u>	<u>2,304,417</u>	<u>(244,278)</u>	(10.6%)
Total Liabilities	<u>\$ 17,768,549</u>	<u>\$ 17,008,015</u>	<u>\$ 760,534</u>	4.5%
Deferred Inflows	<u>\$ 4,802,143</u>	<u>\$ 5,409,985</u>	<u>\$ (607,842)</u>	(11.2%)
Net Position				
Net Investment in Capital Assets	\$ 18,206,738	\$ 18,088,496	\$ 118,242	0.7%
Restricted	695,439	616,781	78,658	12.8%
Unrestricted (Deficit)	<u>(7,308,472)</u>	<u>(7,590,376)</u>	<u>281,904</u>	3.7%
Total Net Position	<u>\$ 11,593,705</u>	<u>\$ 11,114,901</u>	<u>\$ 478,804</u>	4.3%

Current and other assets increased by \$526,138, as compared to the prior year. This increase was primarily the result of a increase in cash of \$1,537,230 exceeding the decrease in receivables of \$1,104,909. The decrease in receivables is due to Capital Fund grant receivables from 2023 being received in 2024. This was primarily due to the timing of capital grants.

Capital assets increased by \$197,166, as compared to the prior year. This increase is primarily due to the capital outlay exceeding depreciation.

Non-current liabilities increased by \$1,514,595 as compared to the prior year. This increase is mainly the result of the net increase in the total OPEB liability of \$1,508,130 primarily due to the changes in actuarial assumptions for the calculation.

The accounting standards require the recognition of the Town's proportionate share of Net Pension Assets/Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' Retirement System. The details of the above changes in the respective pension accounts are more fully described starting on page 34 of the financial statements.

The Net Position invested in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, and purchase vehicles, equipment and furniture to support Town operations.

The Restricted Net Position represents funds being held for the equipment reserves, sidewalk reserve, and operation of the cemeteries.

The Unrestricted Net deficit at December 31, 2024, is \$7,308,472 which represents the amount by which the Town's liabilities, excluding debt related to capital construction, exceeded the Town's assets other than capital assets. This amount is primarily due to the OPEB liability in the amount of \$13,428,327 as of December 31, 2024.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Nonproperty tax items primarily consist of New York State sales tax and franchise tax. A summary of this statement for the years ended December 31, 2024 and 2023, is as follows.

Revenues	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 859,855	\$ 859,157	\$ 698	0.1%
Operating Grants	267,823	438,106	(170,283)	(38.9%)
Capital Grants	538,960	1,510,588	(971,628)	(64.3%)
General Revenues				
Property Taxes and Other Items	3,856,833	3,855,125	1,708	0.0%
Other Real Property Tax Items	68,100	94,776	(26,676)	(28.1%)
Nonproperty Tax	3,628,181	3,644,449	(16,268)	(0.4%)
Use of Money and Property	65,758	37,366	28,392	76.0%
Licenses	6,940	7,972	(1,032)	(12.9%)
Fines	22,923	32,679	(9,756)	(29.9%)
Sale of Property	18,095	23,087	(4,992)	(21.6%)
State Aid	347,560	371,570	(24,010)	(6.5%)
Miscellaneous	<u>25,892</u>	<u>34,405</u>	<u>(8,513)</u>	<u>(24.7%)</u>
Total Revenues	<u>9,681,028</u>	<u>10,874,875</u>	<u>(1,193,847)</u>	<u>(11.0%)</u>
Expenses				
General Government Support	2,586,473	2,322,243	264,230	11.4%
Public Safety	1,891,147	1,850,474	40,673	2.2%
Public Health		212	(212)	(100.0%)
Transportation	3,171,699	2,941,547	230,152	7.8%
Social Services	21,986	22,394	(408)	(1.8%)
Home and Community Services	618,207	562,842	55,365	9.8%
Culture and Recreation	842,876	821,725	21,151	2.6%
Debt Service - Interest	<u>32,832</u>	<u>39,745</u>	<u>(6,913)</u>	<u>(17.4%)</u>
Total Expenses	<u>9,165,220</u>	<u>8,561,182</u>	<u>604,038</u>	<u>7.1%</u>
Total Change in Net Position	<u>\$ 515,808</u>	<u>\$ 2,313,693</u>	<u>\$ (1,797,885)</u>	

The Property Tax and Other Items revenues only had minor increase as budgeted.

Nonproperty taxes mainly consist mainly of Sales Tax. Although over budget, the actual Sales Tax revenue decreased \$8,878 or 0.3% from the prior year.

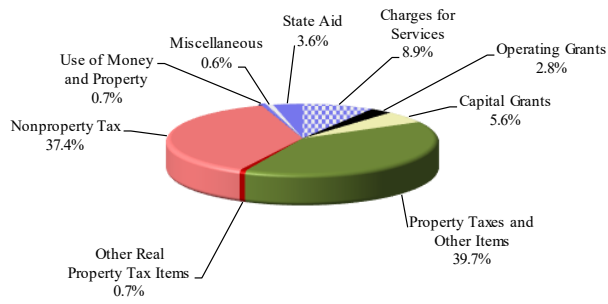
Capital grants in the current year of \$538,960 were due to ongoing federal, State, and local grants received for the Sauquoit Creek Channel & Floodplain Restoration Project. The prior year amount of \$1,510,588 was for the same purpose as the current year. The decrease in the current year was due to the transition to the next phase of the projects.

Government Support expenses increased by \$264,230 and Transportation increased \$230,152 in the current year. These changes were primarily due to changes in allocations of depreciation and employee benefits.

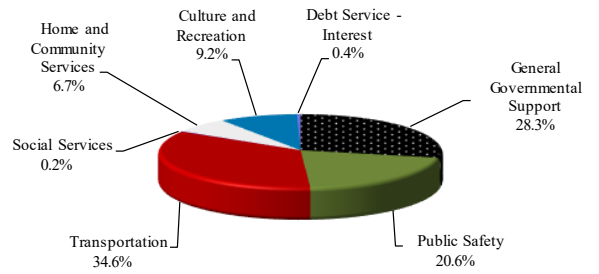
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**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

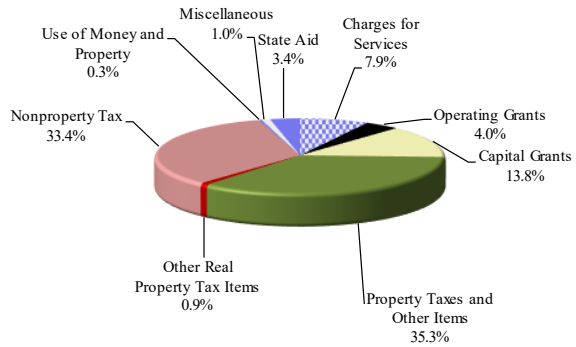
Revenues for the Year Ended December 31, 2024



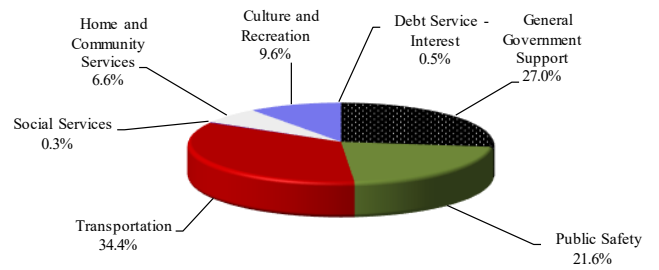
Expenses for the Year Ended December 31, 2024



Revenues for the Year Ended December 31, 2023



Expenses for the Year Ended December 31, 2023



See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

4. FINANCIAL ANALYSIS OF THE TOWN'S FUND BALANCES

At December 31, 2024, the Town's governmental funds reported a combined fund balance of \$8,207,889, which is an increase of \$770,331 from the prior year. This increase is mainly due to excess revenues over expenditures in the General and Highway funds for the year. A summary of the change in fund balance by fund is as follows:

	<u>2024</u>	<u>2023</u>	Increase (Decrease)
General Whole Town			
Nonspendable	\$ 83,947	\$ 81,341	\$ 2,606
Restricted	28,113	28,065	48
Assigned	94,676	11,256	83,420
Unassigned	<u>2,355,841</u>	<u>1,967,259</u>	<u>388,582</u>
	<u>2,562,577</u>	<u>2,087,921</u>	<u>474,656</u>
General Part Town			
Nonspendable	67,128	59,145	7,983
Restricted	5,009	5,000	9
Assigned	<u>1,047,379</u>	<u>879,135</u>	<u>168,244</u>
	<u>1,119,516</u>	<u>943,280</u>	<u>176,236</u>
Highway Whole Town			
Nonspendable	34,758	30,973	3,785
Restricted	484,939	425,300	59,639
Assigned	<u>1,212,787</u>	<u>1,290,769</u>	<u>(77,982)</u>
	<u>1,732,484</u>	<u>1,747,042</u>	<u>(14,558)</u>
Highway Part Town			
Nonspendable	34,758	30,973	3,785
Assigned	<u>1,473,727</u>	<u>1,421,161</u>	<u>52,566</u>
	<u>1,508,485</u>	<u>1,452,134</u>	<u>56,351</u>
Sewer			
Assigned	<u>548,429</u>	<u>539,090</u>	<u>9,339</u>
Water			
Assigned	<u>809,169</u>	<u>788,607</u>	<u>20,562</u>
Capital			
Unassigned (Deficit)	<u>(273,727)</u>	<u>(302,239)</u>	<u>28,512</u>
Non-Major			
Restricted	177,378	158,416	18,962
Assigned	<u>23,578</u>	<u>23,307</u>	<u>271</u>
	<u>200,956</u>	<u>181,723</u>	<u>19,233</u>
 Total Fund Balance	 <u>\$ 8,207,889</u>	 <u>\$ 7,437,558</u>	 <u>\$ 770,331</u>

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. Budget

The Town's adopted budgets for the year ended December 31, 2024, for the following funds was \$8,203,984. The budgets were adopted and amended as follows:

	<u>General Whole Town</u>	<u>General Part Town</u>	<u>Highway Whole Town</u>	<u>Highway Part Town</u>	<u>Sewer</u>	<u>Water</u>
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 3,188,578	\$ 1,585,386	\$ 1,620,880	\$ 1,581,374	\$ 101,621	\$ 126,145
Add: Prior Year's Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Original and Adopted Budget	<u>3,188,578</u>	<u>1,585,386</u>	<u>1,620,880</u>	<u>1,581,374</u>	<u>101,621</u>	<u>126,145</u>
Amendments:						
Services	4,417					
Cemetery Services	14,390					
Programs for the Aging	5,000					
Community Center Equipment	8,495					
Police Equipment		278,904				
Highway Equipment			81,323			
Sewer - Pump Station Evaluations					15,300	
Water - Contractual						4,006
Total Amendments	<u>32,302</u>	<u>278,904</u>	<u>81,323</u>		<u>15,300</u>	<u>4,006</u>
Final Budget	<u>\$ 3,220,880</u>	<u>\$ 1,864,290</u>	<u>\$ 1,702,203</u>	<u>\$ 1,581,374</u>	<u>\$ 116,921</u>	<u>\$ 130,151</u>

The majority of the funding for the above budgets consisted of \$3,390,229 in property taxes, \$3,011,977 in non-property taxes that include sales and franchise taxes, and \$714,976 in State Aid.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

As of December 31, 2024, the Town had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital outlays exceeding depreciation recorded for the year ended December 31, 2024. A summary of the Town's capital assets, net of depreciation at December 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease)</u>
Land	\$ 1,384,318	\$ 1,384,318	\$
Construction in Progress	4,667,526	4,128,575	538,951
Buildings	2,341,055	2,498,463	(157,408)
Land Improvements	5,323,333	5,516,909	(193,576)
Infrastructure	2,441,347	2,374,738	66,609
Equipment	<u>2,945,788</u>	<u>3,003,198</u>	<u>(57,410)</u>
Capital Assets, Net	<u>\$ 19,103,367</u>	<u>\$ 18,906,201</u>	<u>\$ 197,166</u>

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

B. Debt Administration

At December 31, 2024, the Town had total outstanding long-term debt of \$350,000 and a short-term bond anticipation note of \$225,000. A summary of the outstanding long-term debt at December 31, 2024 and 2023, is as follows:

<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>		<u>Increase (Decrease)</u>
				2024	2023	
<u>Serial Bonds</u>						
Water						
WD#1 Extension Improvements	6/15/2006	6/15/2024	4.3227	\$	\$ 75,000	\$ (75,000)
WD#25 Improvements	12/27/2016	12/15/2043	4.2249	350,000	360,000	(10,000)
Total Water Fund				<u>350,000</u>	<u>435,000</u>	<u>(85,000)</u>
Total Serial Bonds				<u>\$ 350,000</u>	<u>\$ 435,000</u>	<u>\$ (85,000)</u>
 <u>State Loan Payable</u>						
General Fund-Whole Town						
	3/31/2014	4/1/2024	2.79	\$	\$ 17,705	\$ (17,705)
Total				<u>\$ 350,000</u>	<u>\$ 452,705</u>	<u>\$ (102,705)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

This component is a description of currently known facts, decisions or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses and other changes in net position).

Population

According to the U.S. Census, the Town of Whitestown's population was 21,382 in 1970, but is estimated at 17,870 today. The population was 18,118 in 2020. Population loss reduces the Town's tax base and can hamper economic growth.

Economic Development

New development in the Town of Whitestown, including home and business construction, has slowed in recent years. The decrease in growth can be attributed to a shortage of vacant land and shovel-ready sites - the Town is running out of room to expand. Parts of the Town also do not have public water and sewer, impeding future growth.

The lack of new development is concerning because the Town's tax base will most likely remain stagnant as a result, despite variable costs continuing to increase. Consequently, the Town may be better served to focus on redevelopment and repurposing instead of new development.

The Town has also not had a Town-wide revaluation since the mid-1990s, mainly due to cost.

Sales Tax Revenue

Despite the COVID-19 pandemic, the Town's sales tax revenue remains strong. In fact, despite projections to the contrary, sales tax revenue increased in 2020, 2021, 2022 and again in 2023. The increase in sales tax revenue from FY22 to FY23 was slightly larger than the increase in sales tax revenue from FY21 to FY22. In FY22, sales tax revenue increased by \$150,864. In FY23, sales tax revenue increased by \$124,110. With that said, while the COVID-19 pandemic is subsiding, another surge in cases could lead to another economic downturn or recession. Inflation, rising interest rates and gas prices, along with slow job growth, remain a challenge.

Consequently, continuing to conservatively budget sales tax revenue is imperative. However, given the substantial growth in sales tax revenue over the last few years, increasing the amount of budgeted sales tax revenue is justifiable.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

Other Revenue

Most other sources of revenue in the Town, in addition to the tax levy, remained strong in 2023, including, but not limited to, NYS AIM funding, NYS CHIPS funding and Ice Rink/Community Center revenue. However, mortgage tax revenue – one of the Town's larger revenue sources – decreased from \$431,445 in FY22 to \$216,595 in FY23. While the FY23 figure is in line with the historical average, the significant decrease places a greater burden on other revenue sources, making it more difficult to balance the Town Budget and prevent a property tax increase.

New York State Property Tax Cap

Since its inception in 2011, the Town Board has not voted to override the "tax cap," a State law which limits the growth in property taxes to two-percent a year or the rate of inflation, whichever is lower. Yet, the desire to not overburden taxpayers carries a price tag and may not be sustainable long-term. While the Town has "held the line" on property taxes, variable costs like wages and health insurance continue to increase, becoming more and more difficult to pay for. As a result, employees will most likely have to contribute a higher monetary amount for health insurance coverage in order for current plans to stay in place. Staffing levels may also be affected.

Additionally, the Town of Whitestown supports legislation that would only subject a Town's four major funds - General Whole and Part Town and Highway Whole and Part Town - to the "tax cap." Currently, special districts, including water, sewer and lighting districts, are all subject to the "tax cap." Complying with the "tax cap" makes it difficult for a town, like Whitestown, to raise the sufficient amount of funds needed to routinely repair, upgrade and maintain critical infrastructure.

With that said, given that revenues remain strong and, in some cases, are growing, decreasing the Town's tax levy could be attainable and, at the very minimum, should be considered.

Consolidation/Sharing of Services

The Town of Whitestown includes the villages of Oriskany, Whitesboro and Yorkville, and part of New York Mills. The Town-Outside-Village population is approximately 8,000, while roughly 11,000 live in the four villages.

Although the Town and villages share some services, much potential remains to work together in a greater fashion. For example, the Town and each village have the following: executive, legislative body, police department, highway department, court, code enforcement officer, attorney, planning board and zoning board of appeals. Each village also has a volunteer fire department, collectively containing more apparatus per one-thousand people than the much larger cities of Utica and Rome.

In 2015, a proposal to create a town-wide fire district was defeated by voters. More recently, in 2017, the Town proposed a town-wide code enforcement department, but the plan was rejected by all four villages. The villages of Oriskany and Whitesboro also rejected proposals to dissolve their village courts in 2018.

It will become increasingly difficult for the Town and villages to each afford and maintain their own separate services. If properly studied and implemented, consolidation can help sustain services and eliminate duplicative costs.

Consolidation should be more strongly explored and considered before it perhaps becomes a necessity within the next 20 years.

Equipment/Vehicles

On June 27, 2023, the Town Board adopted a resolution to approve borrowing up to \$1,275,221.00 for the following*:

- Police Department – Police Vehicles (2)
- Codes Department – Vehicle
- Highway Department – Gradall, Loader, Ventrac Tractor, F-150, Plows (2)

*Some items were ultimately paid for with appropriated fund balance.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

However, despite these significant investments, more funding is needed to address critical Town infrastructure. The parking lots at the Town Hall, Town Community Center, Town Court and Town Park on Gibson Road need to be resurfaced, the Highway Department's roof needs to be replaced and the Town's sidewalk/trail system necessitates consistent maintenance.

The "tax cap" makes it difficult to address infrastructure needs without increasing property taxes.

The roof on the Salt Shed at the Highway Department was replaced in late 2022 for a cost of \$125,000. Fund balance (A Fund) was utilized.

Cemeteries

State law requires a town to assume responsibility for a cemetery, within the town, that can no longer sustain itself financially. In 2010, the Town acquired Glenside Cemetery in the Village of New York Mills and in 2017, the Town acquired Grandview Cemetery in the Village of Whitesboro. Town forces operate and maintain both.

In addition to Glenside Cemetery and Grandview Cemetery, there are about 20 other cemeteries in the Town of Whitestown. If others fold due to financial constraints, the burden of maintaining them will be borne by taxpayers.

The State law mentioned above is an unfunded mandate.

Major Projects

Sauquoit Creek Channel & Floodplain Restoration Program

Since its inception in 2016, the Sauquoit Creek Channel & Floodplain Restoration Program - an on-going effort to determine and implement the improvements needed to alleviate historical flooding along the Sauquoit Creek in Whitestown - has evolved into the largest program of its kind in New York State. The program has five major components: Mitigation (Natural Approach); Adaptation (Residential Property Buyouts); Infrastructure Improvements (Bridges and Culverts); Floodplain Management (Smarter Development); and Debris Management (Routine Maintenance).

The mitigation component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the construction of several floodplain benches, areas of bank stabilization, channel widening and the creation of a public access trail along a 1-plus mile corridor of the lower Sauquoit Creek in Whitestown on Commercial Drive/NYS Route 5A. The work will continue to stabilize the lower Sauquoit Creek while connecting it to its original floodplain.

In September 2019, Mitigation Project 1 involving the construction of two floodplain benches at Dunham Manor Park in Whitestown, was completed. The construction of Mitigation Project 2 was completed in July 2022. Mitigation Project 2 included the construction of a floodplain bench in the Village of Whitesboro south of the CSX Railroad Crossing and installation of five additional culverts underneath the CSX Rail Line. The Town is currently in the planning stages for Mitigation Projects 3 and 4, which will include the construction of additional flood mitigation measures. At the end of Mitigation Project 4, Whitestown will have completed its original construction goal set in 2016 when it launched the Sauquoit Creek Channel & Floodplain Restoration Program.

The adaptation component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the potential buy-out of nearly 200 residential properties in the Village of Whitesboro impacted by the 2019 Halloween Storm/Flood.

In September 2020, Whitestown secured at least \$20 million from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Floodplain Easement Program for the buy-out of eligible residential properties. Ultimately, the buy-out of an approved property owner is achieved by NRCS purchasing a floodplain easement and the structures (house) within the easement area and Whitestown, as project sponsor, purchasing the remaining fee title (land). The value of the property is based on the appraised fair market value as of the day before the 2019 Halloween Storm/Flood. At the end of the process, Whitestown becomes the property owner, subject to a floodplain easement held by the United States. The land within the floodplain easement must remain forever "green" in accordance with NRCS regulations.

Whitestown and NRCS entered into a Cooperative Agreement in July 2021. The Agreement allows NRCS to provide funding to Whitestown to solicit and hire appraisers and title companies.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

The selected appraisal firm began appraisals on October 14, 2021, and completed all appraisals in January 2022. All appraisals were approved by NRCS, invoiced to the Town and paid by the Town. The Town was then reimbursed by NRCS.

The selected title companies (two companies) began preparing preliminary title reports in January 2022. All preliminary title reports have been completed and approved by NRCS. NRCS will reimburse the Town, in full, for the cost of the preliminary title reports.

NRCS sent a Letter of Intent (LOI) to buyout applicants on April 15, 2022. The LOI notified applicants of their appraised value and asked that, within 30 days, they indicate if they were willing to accept the appraised value and continue in the program. A strong majority of applicants indicated they approved their appraised value and wanted to proceed.

The infrastructure improvements component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the replacement/upsizing of the Main Street Bridge, which is owned by Whitestown and located near the border of the Village of Whitesboro and Village of Yorkville, and Oriskany Boulevard (Route 69) Bridge over Sauquoit Creek in Whitesboro, which is owned by the New York State Department of Transportation. Such replacements, combined with current mitigation, adaptation and floodplain management efforts (i.e., "global approach"), will lead to the greatest reduction in flood stage during intense rainfall/flood events, minimizing damage to repetitive flood loss homes and businesses. More specifically, the replacement of the Main Street and Oriskany Boulevard (Route 69) Bridges will allow for water in the Sauquoit Creek to move more freely downstream and empty into the Mohawk River with less restriction and risk of "backing up."

The Sauquoit Creek Channel & Floodplain Restoration Program is an impressive collaboration among all levels of government - federal, state and local - and cannot be accomplished without an "all hands-on deck" approach. It is an innovative, proactive and long-term attempt to prevent flooding, to the greatest extent possible, rather than a short-term fix.

Utica Street Bridge Rehabilitation Project

The Town was awarded a \$1.4 million grant from the BRIDGE NY Program in 2017 to significantly rehabilitate the Utica Street Bridge in the Village of Oriskany, which was completed in October 2018. As part of the project, the bridge deck was replaced, structural deficiencies were repaired and a new waterline underneath the bridge was installed.

The project is expected to extend the life of the bridge by at least 30 years.

There was a 5 percent local share, amounting to approximately \$70,000 in Town funding.

Wyman Park Project

The Town continues to work closely with the Deputy Wyman Foundation, Inc. to complete Wyman Park, an extension of the Town Park on Gibson Road named in honor of fallen Oneida County Sheriff Deputy Kurt B. Wyman.

Both multi-use fields at the park are now being used for practices and games.

A \$200,000 DASNY "SAM" grant will fund the construction of a comfort station containing a concession, bathrooms and storage space and additional parking, but additional investment by the Town will be necessary.

On May 18, 2022, the Town Board formally awarded a contract for the construction of the comfort station to Beebe Construction Services, Inc. for a cost not-to-exceed \$349,950.00. Construction started in June 2022, and was finished in 2023.

Outsourcing of Payroll

The Town outsourced payroll and related tasks to ADP in 2019. On November 17, 2021, the Town Board awarded a contract to Tyler for a core financial management solution, with hopes the solution will be fully implemented and operational for the start of Fiscal Year 2023. The Town Board has since terminated its contract with Tyler.

Debt Service

A significant portion of the Town's debt service will be falling off within the next 5-10 years, making it an opportune time to enact a more defined vehicle/equipment replacement program.

See Independent Auditor's Report.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024**

The Town has a BAN, which it has been renewing annually, while keeping debt levels consistent.

Fund Balance

Due to a steady increase in sales tax revenue - despite the economic effects of the COVID-19 pandemic - along with nearly \$1 million in federal American Rescue Plan funding, the Town's fund balance increased from FY22 to FY23. The Town Board intends to use excess sales tax revenue to potentially reduce the Town's tax levy and:

- Pave/resurface the Community Center parking lot;
- Replace the fuel tanks at the Highway Department;
- Fund upgrades at Glen Haven Park, Herthum Heights Park and Sunset Manor Park;
- Fund the 50 percent local share (\$225,556.73) of a grant for two leaf collection vehicles and a woodchipper; and
- Fund the construction of a comfort station at Wyman Park (everything in excess of \$200,000 grant).

Given that sales tax revenue is strong, the Town Board also believes it is an opportune time to consider budgeting more sales tax revenue moving forward to potentially offset an increase to the tax levy.

8. CONTACTING THE TOWN

This financial report is designed to provide the Town's citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

**Town Supervisor
Town of Whitestown
8539 Clark Mills Road
Whitesboro, NY 13492**

See Independent Auditor's Report.

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 7,752,522
Restricted Cash	694,304
Accounts Receivable	52,621
Due From Other Governments	1,547,385
Prepaid Expenses	220,591
Capital Assets (Net of Accumulated Depreciation)	<u>19,103,367</u>
Total Assets	<u>29,370,790</u>
Deferred Outflows of Resources	
Deferred Outflow - Pensions	1,642,820
Deferred Outflow - OPEB	<u>3,150,787</u>
Total Deferred Outflows of Resources	<u>4,793,607</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 34,164,397</u>
Liabilities	
Accounts Payable	\$ 250,381
Accrued Liabilities	177,431
Accrued Interest	605
Due To Other Governments	8,148
Bond Anticipation Notes Payable	225,000
Unearned Revenue	1,398,574
Net Pension Liability - Proportionate Share	1,672,453
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	15,000
Compensated Absences Payable	78,443
OPEB	321,629
Due in More Than One Year	
Bonds Payable	335,000
Compensated Absences Payable	179,187
OPEB	<u>13,106,698</u>
Total Liabilities	<u>17,768,549</u>
Deferred Inflows of Resources	
Deferred Inflow - Pensions	810,185
Deferred Inflow - OPEB	<u>3,991,958</u>
Total Deferred Inflows of Resources	<u>4,802,143</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,570,692</u>
Net Position	
Net Investment in Capital Assets	18,206,738
Restricted	695,439
Unrestricted (Deficit)	<u>(7,308,472)</u>
Total Net Position	<u>11,593,705</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 34,164,397</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government Support	\$ 2,586,473	\$ 188,855	\$	\$ 50,993	\$ (2,346,625)
Public Safety	1,891,147	14,143	29,244		(1,847,760)
Transportation	3,171,699	199,711	238,579		(2,733,409)
Social Services	21,986	2,380			(19,606)
Home and Community Services	618,207			487,967	(130,240)
Culture and Recreation	842,876	454,766			(388,110)
Debt Service - Interest	32,832				(32,832)
Total Governmental Activities	\$ 9,165,220	\$ 859,855	\$ 267,823	\$ 538,960	(7,498,582)

General Revenues

Real Property Tax	3,856,833
Other Real Property Tax Items	68,100
Nonproperty Tax	3,628,181
Use of Money and Property	65,758
Licenses	6,940
Fines	22,923
Sale of Property	18,095
State Aid	347,560
Miscellaneous	25,892
Total General Revenues	8,040,282
Change in Net Position	541,700
Net Position, Beginning of Year	11,114,901
Cummulative Effect of Change in Accounting Principle	(62,896)
Net Position, Beginning of Year (Restated)	11,052,005
Net Position, End of Year	\$ 11,593,705

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2024

	Governmental							Non-major Governmental	Total Governmental Funds
	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital		
Assets									
Current Assets									
Unrestricted Cash	\$ 2,848,075	\$ 199,805	\$ 1,133,485	\$ 1,673,701	\$ 520,032	\$ 809,169	\$ 542,009	\$ 26,246	\$ 7,752,522
Restricted Cash	28,113	5,009	484,939					176,243	694,304
Accounts Receivable	52,079	542							52,621
Due from Other Funds	128,871	643,821		223,638	37,307		275,882	1,135	1,310,654
Due from Other Governments	629,241	247,030	145,132	72,633			453,349		1,547,385
Prepaid Expenditures	83,947	67,128	34,758	34,758					220,591
Total Current Assets	\$ 3,770,326	\$ 1,163,335	\$ 1,798,314	\$ 2,004,730	\$ 557,339	\$ 809,169	\$ 1,271,240	\$ 203,624	\$ 11,578,077
Liabilities and Fund Equity									
Current Liabilities									
Accounts Payable	\$ 128,696	\$ 8,266	\$ 50,441	\$ 26,264	\$ 2,425		\$ 31,621	\$ 2,668	\$ 250,381
Accrued Liabilities	150,631	12,168	14,632						177,431
Due to Other Funds	119		757	469,981	6,485		833,312		1,310,654
Due to Other Governments	8,148								8,148
Bond Anticipation Notes Payable							225,000		225,000
Unearned Revenues	920,155	23,385					455,034		1,398,574
Total Current Liabilities	1,207,749	43,819	65,830	496,245	8,910		1,544,967	2,668	3,370,188
Fund Equity									
Non-spendable	83,947	67,128	34,758	34,758					220,591
Restricted	28,113	5,009	484,939					177,378	695,439
Assigned	94,676	1,047,379	1,212,787	1,473,727	548,429	809,169		23,578	5,209,745
Unassigned (Deficit)	2,355,841						(273,727)		2,082,114
Total Fund Equity (Deficit)	2,562,577	1,119,516	1,732,484	1,508,485	548,429	809,169	(273,727)	200,956	8,207,889
Total Liabilities, Deferred Revenue, and Fund Equity	\$ 3,770,326	\$ 1,163,335	\$ 1,798,314	\$ 2,004,730	\$ 557,339	\$ 809,169	\$ 1,271,240	\$ 203,624	\$ 11,578,077

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND EQUITY TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2024

Governmental Fund Equity		\$ 8,207,889
<p>Amounts reported for governmental activities in the statement of Net Position are different due to the following:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Original Cost of Capital Assets	31,552,465	
Accumulated Depreciation	<u>(12,449,098)</u>	19,103,367
Accrued Interest		(605)
<p>Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.</p>		
Deferred Outflows - Pensions	1,642,820	
Net Pension Liability (Asset) - Proportionate Share	(1,672,453)	
Deferred Inflows - Pensions	<u>(810,185)</u>	(839,818)
<p>Long-term liabilities and OPEB Liability, are not due and payable in the current-period and therefore are not reported in the funds.</p>		
Bonds Payable	(350,000)	
Compensated Absences Payable	(257,630)	
OPEB Liability	(13,428,327)	
Deferred Outflows - OPEB	3,150,787	
Deferred Inflows - OPEB	<u>(3,991,958)</u>	(14,877,128)
Net Position of Governmental Activities		<u>\$ 11,593,705</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	Governmental							Non-major Governmental	Total Governmental Funds
	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital		
Revenues									
Real Property Taxes	\$ 1,911,719	\$	\$ 1,250,715	\$	\$ 101,621	\$ 126,145	\$	\$ 466,633	\$ 3,856,833
Other Real Property Tax Items	68,100								68,100
Nonproperty Tax Items	874,061	1,307,478	116,268	1,330,374					3,628,181
Departmental Income	479,890	139,374		8,375					627,639
Service Revenue								17,330	17,330
Intergovernmental Charges			199,711	13,600					213,311
Use of Money and Property	41,660	1,781	4,155	5,040	1,045	2,195	7,267	2,615	65,758
Licenses and Permits	6,940	10,055							16,995
Fines and Forfeitures	22,923								22,923
Sale of Property and Compensation for Loss	860		15,292	1,943					18,095
Miscellaneous	8,600	7,030	1,781				50,993		68,404
State Aid	285,073	91,732		238,579			1,075		616,459
Federal Aid							486,892		486,892
Total Revenues	<u>3,699,826</u>	<u>1,557,450</u>	<u>1,587,922</u>	<u>1,597,911</u>	<u>102,666</u>	<u>128,340</u>	<u>546,227</u>	<u>486,578</u>	<u>9,706,920</u>
Expenditures									
General Government Support	1,660,498	5,459						910	1,666,867
Public Safety	41,806	730,438						440,005	1,212,249
Transportation	119,121		1,078,623	1,202,034			178,652	26,430	2,604,860
Social Services	30,481								30,481
Home and Community Services	55,851	83,733			91,617	6,000	537,876		775,077
Culture and Recreation	420,909	44,524					1,187		466,620
Employee Benefits	857,765	499,430	346,384	339,526	1,710				2,044,815
Debt Service - Principal	37,703	15,213	164,787				85,000		302,703
Debt Service - Interest	1,036	2,417	12,686				16,778		32,917
Total Expenditures	<u>3,225,170</u>	<u>1,381,214</u>	<u>1,602,480</u>	<u>1,541,560</u>	<u>93,327</u>	<u>107,778</u>	<u>717,715</u>	<u>467,345</u>	<u>9,136,589</u>
Excess (Deficit) Revenues Over Expenditures	<u>474,656</u>	<u>176,236</u>	<u>(14,558)</u>	<u>56,351</u>	<u>9,339</u>	<u>20,562</u>	<u>(171,488)</u>	<u>19,233</u>	<u>570,331</u>
Other Financing Sources									
Bond Anticipation Notes Redeemed from Appropriations							200,000		200,000
Total Other Financing Sources							<u>200,000</u>		<u>200,000</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	474,656	176,236	(14,558)	56,351	9,339	20,562	28,512	19,233	770,331
Fund Equity (Deficit), Beginning of Year	<u>2,087,921</u>	<u>943,280</u>	<u>1,747,042</u>	<u>1,452,134</u>	<u>539,090</u>	<u>788,607</u>	<u>(302,239)</u>	<u>181,723</u>	<u>7,437,558</u>
Fund Equity (Deficit), End of Year	<u>\$ 2,562,577</u>	<u>\$ 1,119,516</u>	<u>\$ 1,732,484</u>	<u>\$ 1,508,485</u>	<u>\$ 548,429</u>	<u>\$ 809,169</u>	<u>\$ (273,727)</u>	<u>\$ 200,956</u>	<u>\$ 8,207,889</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Net Change in Fund Balance - Total Governmental Funds \$ 770,331

Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which capital outlays in the period exceeds depreciation.

	Capital Outlays	1,331,713	
	Depreciation	<u>(1,134,547)</u>	197,166

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

	Principal Payments on Long Term Debt		102,705
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(Increases) Decreases in the proportionate share of the net pension liability (asset) reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

	NYS Retirement Systems		(149,105)
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Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

	OPEB Liability	(333,208)	
	Compensated Absences	(46,274)	
	Accrued Interest	<u>85</u>	<u>(379,397)</u>

Change in Net Positions Governmental Activities **\$ 541,700**

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024

Assets

Unrestricted Cash	\$ 119,106
Restricted Cash	<u>5,128</u>
Total Assets	<u>\$ 124,234</u>

Liabilities

Bail Deposits	\$ 5,128
Court Liabilities	101,113
Other Liabilities	<u>17,993</u>
Total Liabilities	<u>124,234</u>

Net Position	<u>0</u>
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Total Liabilities and Net Position	<u>\$ 124,234</u>
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TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2024

Additions

Fines Collected for Other Governments	\$ 73,882
Fees Collected for Other Governments	51,812,863
Taxes Collected for Other Governments	<u>1,897</u>
Total Additions	<u>51,888,642</u>

Deductions

Fines Remitted to the State	73,882
Fees Distributed to Other Governments	1,897
Taxes Distributed to Other Governments	<u>51,812,863</u>
Total Deductions	<u>51,888,642</u>

Change in Net Position	0
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Net Position, Beginning of Year	<u>0</u>
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Net Position, End of Year	<u><u>\$ 0</u></u>
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The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared primarily from accounts maintained by the Town.

GASB is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies, established in U.S. GAAP and used by the Town, are discussed below.

Background

The Town of Whitestown, New York (the Town), was established in 1788 and operates under an elected Town Supervisor and four members of the Town Board. The Town Board is the elected legislative body. The Town Supervisor serves as the chief executive officer. The Town provides services of general government, public works, public safety, water, sewer, fire, lighting, cemetery, and community enrichment and economic development to its residents.

Financial Reporting Entity

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other organizations have been included or excluded from the reporting entity.

Financial Statements - Government-Wide

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Maintenance of roads, public works, social services, recreation and culture, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's Net Position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

Employee benefits are reported as a separate function on the fund financial statements. These costs have been allocated for the government-wide financial statements based on the respective payroll for each function.

The net costs by function are normally covered by general revenues (property, non-property, or sales taxes, intergovernmental revenues, interest income, State Aid, etc.).

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

Basic Financial Statements - Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major governmental funds:

(a) *Major Funds:*

The emphasis in the fund financial statements is on the major governmental fund categories. Non-major funds are summarized into a single column. The non-major funds consist of Fire, Lighting, and Miscellaneous Special Revenue funds.

General Fund– This is the principal operating fund which is used to account for and report all operations not required to be recorded in other funds. This fund includes general whole-town and general part-town.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This fund is broken down into the following categories:

Highway - This fund is used to account for maintenance of the Town's streets and highways. This fund includes Highway Whole-Town and Highway Part-Town.

Sewer Fund - This fund is used to account for the Town's sewer operations in various districts.

Water Fund - This fund is used to account for the Town's sewer operations in various districts.

Non-Major Funds – These funds are used to account for and report the Town's fire protection, street lighting, and cemetery operations.

Capital Fund – This fund is used to account for financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes and state aid.

(b) *Fiduciary Fund Types* – Fiduciary funds are used to account for and report assets held in a trustee or custodial capacity for others and therefore, are not available to support Town programs. The Town's fiduciary fund consists only of the Custodial Fund. This Fund accounts for the collection and distribution of taxes, fines, and fees for other governments. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, deferred compensation participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Nonexchange transactions are transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. Nonexchange revenues are generally reported as nonoperating revenues. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis – All governmental funds financial statements are reported for using the current financial resources measurement focus and the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town has defined the period of availability to be six months.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Material revenues that are accrued include real property taxes, Federal and State aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for inventory-type items are recognized at the time of the disbursements.
- b. Principal and interest on long-term indebtedness is not recognized as an expenditure until due.
- c. Compensated absences are not recognized as an expenditure until due
- d. Capital fund expenditures are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Taxes are collected by the receiver of taxes during the period January 1 to January 31 without penalty. Taxes are due by January 31. Late payments during the month of February must pay \$2.00 plus 1% of the amount due, in March the penalty changes to \$2.00 plus 1 1/2% of the amount due. After March 31, the unpaid amount is turned over to Oneida County. The County is responsible for collecting all taxes after April 1. The County pays the Town for the delinquent taxes and assumes enforcement responsibility for all taxes levied in the Town.

Capital Assets/Property, Plant, and Equipment

Capital assets purchased or acquired with an original cost of \$2,000 or more and a useful life of two years or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure assets are capitalized on a prospective basis. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-30 Years
Machinery and Equipment	3-15 Years
Improvements (land and Building)	10-30 Years
Infrastructure	10-30 Years

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimate portion that is expected to be uncollectible. Estimated unbilled revenues are estimated at the end of each fiscal year. Sewer fund receivables are fully guaranteed by the General Fund of the Town. Therefore, no allowance for doubtful accounts has been established for these funds.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The first item is for the pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Insurance

The Town insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or availability has been incurred, and the amount of loss can be reasonably estimated.

Retirement Plan

The Town provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System. The System is a cost-sharing, multiple-employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Town employees are eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the Town and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charged the appropriate benefiting fund and reduced its related cost as reimbursement. All other interfund transactions are treated as transfers.

Compensated Absences

Compensated absences consist of unpaid accumulated sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees will contractually receive payments of unused accumulated sick leave at the pay rate at separation up to a maximum number of days specified in the contract.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination, or death.

In the town-wide financial statements, the Town recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes.

In the fund statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the Town by December 31st.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualifies for reporting in this category. The first item is related to pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

State statutes require that collateral be pledged at 100 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of New York State and its municipalities and Towns may be pledged. Investments are carried at market value.

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Town's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Short-Term Debt

The Town may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

Equity classifications

(a) *Government-wide Financial Statements*

In the Government-wide statements there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports all other Net Positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

(b) *Fund Statements*

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the balances in prepaid expenditure and inventory accounts.

Restricted Resources

Amounts constrained by specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance

Amounts constrained to specific purposes by the Town itself, by vote of the Town Board, the Town's highest level of decision-making authority. The Town Board must approve the establishment (or modification) of any fund balance commitment. At December 31, 2024, the Town did not have any committed fund balance.

Assigned fund balance

Amounts the Town intends to use for a specific purpose; intent for which must be expressed by the Town Board or Department management.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned fund balance

Amounts within the General Fund that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town and amounts in other funds with negative fund balances.

New Accounting Standards

Effective for the fiscal year ended December 31, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the Town recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The Town applied the provisions of GASB 101 prospectively as of January 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of the beginning net position was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 10 of these financial statements.

Future Changes in Accounting Standards

- GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026.
- GASB Statement No. 105, *Subsequent Events*, effective for the year ending December 31, 2027.

The Town will evaluate the impact these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared to Net Positions of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net positions" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories. The amounts shown below represent:

A. Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

B. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS
(Continued)

C. *Long-Term Debt Transaction Differences*

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

D. *Employee Benefit Allocation*

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

E. *Pension Differences*

Pension differences occur as a result of changes in the Town's proportion of the collective net position, asset/liability and differences between the Town's contributions and its proportionate share of the total contributions to pension expense.

F. *OPEB Differences*

OPEB differences occur as a result of changes in the Town's total OPEB liability and differences between the Town's contributions and OPEB expense.

Budgets and Budgetary Accounting

A. *Budget Basis of Accounting*

The budget is adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. *Budget Policies*

- Budgets are adopted annually on a basis consistent with U.S. generally accepted accounting principles.
- No later than October 5, the Town Supervisor submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of legislative resolution no later than Thursday after election date. Certified copies are filed no later than November 20 with the tax roll coordinator (Oneida County) for the purpose of preparing the tax levy.
- The Town Supervisor is authorized to transfer certain budgeted amounts within departments and/or individual funds.

C. *Legally Adopted Budgets*

All of the Funds, except capital, have legally adopted budgets. The Funds' budgets are adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level.

Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

3. ENCUMBRANCE ACCOUNTING

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

There were no supplemental appropriations that occurred during the year:

	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 3,188,578	\$ 1,585,386	\$ 1,620,880	\$ 1,581,374	\$ 101,621	\$ 126,145
Add: Prior Year's Encumbrances	0	0	0	0	0	0
Original and Adopted Budget	3,188,578	1,585,386	1,620,880	1,581,374	101,621	126,145
Amendments:						
Services	4,417					
Cemetery Services	14,390					
Programs for the Aging	5,000					
Community Center Equipment	8,495					
Police Equipment		278,904				
Highway Equipment			81,323			
Sewer - Pump Station Evaluations					15,300	
Water - Contractual						4,006
Total Amendments	32,302	278,904	81,323		15,300	4,006
Final Budget	\$ 3,220,880	\$ 1,864,290	\$ 1,702,203	\$ 1,581,374	\$ 116,921	\$ 130,151

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

1. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

As of December 31, 2024, of the Town's bank balances of \$8,592,161 were not exposed to custodial credit risk because the deposits were fully covered by FDIC and collateral pledged by financial institutions in the Town's name.

Restricted Cash and Cash Equivalents

- Restricted cash of \$28,113 in the General Whole Town Fund represents the Central Garage Equipment Reserve, Sidewalk Reserve, and Recreation Facility Equipment Reserve.
- Restricted cash of \$5,009 in the General Part Town Fund represents the Police Equipment Reserve.
- Restricted cash of \$484,939 in the Highway Whole Town Fund represents the Equipment Reserve.
- Restricted cash of \$176,243 in the Miscellaneous Special Revenue Fund represents amounts reserved to fund operations of the Town's cemeteries.
- Restricted cash of \$5,128 in the Fiduciary Fund represents amounts held by the Town Court for Bail and the NYS Department of Justice.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

2. Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2024 was as follows:

	Beginning			Ending
	Balance	Additions	Deletions	Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,384,318	\$	\$	\$ 1,384,318
Construction in Progress	<u>4,128,575</u>	<u>538,951</u>	<u></u>	<u>4,667,526</u>
Total	<u>5,512,893</u>	<u>538,951</u>	<u></u>	<u>6,051,844</u>
Capital Assets Being Depreciated				
Buildings	6,799,290			6,799,290
Land Improvements	5,807,273			5,807,273
Infrastructure	3,858,538	398,637		4,257,175
Equipment	<u>8,285,625</u>	<u>394,125</u>	<u>42,867</u>	<u>8,636,883</u>
Total	<u>24,750,726</u>	<u>792,762</u>	<u>42,867</u>	<u>25,500,621</u>
Accumulated Depreciation				
Buildings	4,300,827	157,408		4,458,235
Land Improvements	290,364	193,576		483,940
Infrastructure	1,483,800	332,028		1,815,828
Equipment	<u>5,282,427</u>	<u>451,535</u>	<u>42,867</u>	<u>5,691,095</u>
Total	<u>11,357,418</u>	<u>1,134,547</u>	<u>42,867</u>	<u>12,449,098</u>
Net Capital Assets Being Depreciated	<u>13,393,308</u>	<u>(341,785)</u>	<u></u>	<u>13,051,523</u>
Net Capital Assets	<u>\$ 18,906,201</u>	<u>\$ 197,166</u>	<u>\$</u>	<u>\$ 19,103,367</u>

Depreciation expense was charged to the functions/programs as follows:

Governmental Activities

General Government Support	\$	113,455
Public Safety		170,182
Transportation		340,364
Recreation		226,909
Home and Community Services		<u>283,637</u>
		<u>\$ 1,134,547</u>

3. Liabilities

Short-term Debt - Bond Anticipation Notes (BANs)

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds and the enterprise fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs 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.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Changes in the Town’s short-term outstanding debt for the year ended December 31, 2024 is as follows:

Payable From/Description	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Governmental Activities				
General - Whole Town				
Equipment - 2019	\$ 20,000	\$	\$ 20,000	\$
General - Part Town				
Equipment - 2023	55,213	_____	15,213	40,000
Highway - Whole Town				
Equipment - 2024		60,000		60,000
Equipment - 2019	45,000		45,000	
Truck - 2020	75,000		35,000	40,000
Equipment - 2023	169,787	_____	84,787	85,000
	289,787	60,000	164,787	185,000
Total Governmental Activities	<u>\$ 365,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 225,000</u>
 Total Governmental Activities	 <u>\$ 365,000</u>	 <u>\$ 60,000</u>	 <u>\$ 200,000</u>	 <u>\$ 225,000</u>

The following is a summary of the BAN’s outstanding at December 31, 2024:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Part-Town					
Equipment - 2023	12/21	\$ 55,213	12/21	3.95%	\$ 40,000
Highway Whole-Town					
Truck - 2020	12/20	\$ 185,746	11/25	3.95%	40,000
Equipment - 2023	11/23	\$ 169,787	11/25	3.95%	85,000
Equipment - 2024	11/24	\$ 60,000	11/25	3.95%	60,000
Total					<u>\$ 225,000</u>

Long Term Debt

The Town borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and Town-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

Serial Bonds and Capital Notes - The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the governmental-wide Statement of Position. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Long-term liability balances and activity are as follows:

<u>Description</u>	Beginning Balance	Cumulative Effect of Change in Estimate	Change/ Issued	Change/ Paid	Ending Balance	Due Within One Year
Governmental Activities						
Serial Bonds Payable	\$ 435,000	\$	\$	\$ 85,000	\$ 350,000	\$ 15,000
State Loan Payable	17,705			17,705		
Compensated Absences Payable	148,460	62,896	46,274		257,630	78,443
OPEB	<u>11,920,197</u>		<u>1,797,792</u>	<u>289,662</u>	<u>13,428,327</u>	<u>321,629</u>
Total Governmental	<u>\$ 12,521,362</u>	<u>\$ 62,896</u>	<u>\$ 1,844,066</u>	<u>\$ 392,367</u>	<u>\$ 14,035,957</u>	<u>\$ 415,072</u>

Details relating to general obligation (serial) bonds of the Town outstanding at December 31, 2024, are summarized as follows:

<u>Description</u>	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Water					
WD#25 Improvements	12/27/2016	\$ 430,000	12/15/2043	4.22	<u>350,000</u>
			Total Serial Bonds		<u>\$ 350,000</u>

Future principal and interest payments due on serial bonds debt are as follows:

Fiscal Year Ended December 31,	Serial Bonds	
	Principal	Interest
2025	\$ 15,000	\$ 14,725
2026	15,000	14,106
2027	15,000	13,488
2028	15,000	12,869
2029	15,000	12,250
2030-2034	80,000	51,969
2035-2039	100,000	33,256
2040-2043	<u>95,000</u>	<u>10,638</u>
Total	<u>\$ 350,000</u>	<u>\$ 163,301</u>

Interest costs for debt for the year ended December 31, 2024 were as follows:

Total interest for the year was as follows:	
Interest Paid - Bonds	\$ 16,938
Interest Paid - Bond Anticipation Notes	15,979
Less: Interest Accrued in the Prior Year	(690)
Plus: Interest Accrued in the Current Year	<u>605</u>
Total Interest Expense on Long-Term Debt	<u>\$ 32,832</u>

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the Town. The Town may issue indebtedness to the extent that the aggregate outstanding debt issued, which is subject to such limit, does not exceed 7% of the average full valuation of taxable real estate within such Town. At December 31, 2024, the total outstanding indebtedness of the Town aggregated \$575,000, of this amount; \$225,000 was subject to the constitutional debt limit and represented approximately 0.3% of its statutory debt limit.

Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the Town and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Amendments to the Federal Bankruptcy Act have the effect of facilitating recourse to the protection of a Federal Court by public bodies for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State (including the Town) to file a petition with any United States District Court or Court of Bankruptcy under any provision of Federal law for the composition or adjustment of municipal indebtedness.

4. *Pension Plans*

(a) Plan Description & Benefits Provided

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 New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. 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 Systems' fiscal year ending March 31.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

For the Year Ended March 31,	ERS	PFRS
2025	\$ 281,304	\$ 179,212
2024	\$ 237,686	\$ 151,940
2023	\$ 205,990	\$ 142,807

(c) *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2024, the Town reported a net liability (asset) of \$1,672,453 (ERS \$969,381 and PFRS \$703,072) for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of March 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability (asset) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2024 and 2023, the Town's proportion of the net pension liability (asset) was 0.0065837% and 0.0064976% for ERS and 0.0148239% and 0.0143162% for PFRS, respectively.

For the year ended December 31, 2024, the Town recognized pension expense of \$618,660 (ERS \$399,545 and PFRS \$219,115). At December 31, 2024, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	ERS	PFRS
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 312,237	\$ 26,432
Change of Assumptions	366,501	265,199
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		473,538
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	7,891	33,662
Contributions Subsequent to the Measurement Date	281,304	179,212
Total	\$ 967,933	\$ 533,632
		\$ 674,887
		\$ 276,553

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

Year Ended March 31,	ERS	PFRS
2024	\$ (193,271)	\$ (76,430)
2025	\$ 177,876	\$ 187,079
2026	\$ 275,230	\$ 102,382
2027	\$ (106,838)	\$ (25,468)
2028	\$	\$ 31,559

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(d) Actuarial Assumptions

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

Actuarial Cost Measure	Entry Age Normal
Investment Rate of Return (Net of Investment Expense, including Inflation)	5.90%
Salary Scale	4.40% ERS/6.20% PFRS
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.25%
	100.00%	

(e) Discount Rate

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

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension Liability (Assets)			
ERS	\$ 3,047,834	\$ 969,381	\$ (766,558)
PFRS	<u>1,643,244</u>	<u>703,072</u>	<u>(73,648)</u>
Total	<u>\$ 4,691,078</u>	<u>\$ 1,672,453</u>	<u>\$ (840,206)</u>

(g) *Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

5. *Other Postemployment Benefits (OPEB)*

(a) *Plan Description*

The Town administers the Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. Generally, employees may retire with benefits when they reach the minimum age of 55 and have 10 to 20 years of service with the Town, depending on the bargaining unit.

The Plan does not issue a stand-alone publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) *Funding Policy*

The obligations of the Plan members, employers, and other entities are established by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2024, the Town's contributions to the Plan ranged from 0% to 30% of the required annual premiums. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the Town.

The Town's other postemployment benefit (OPEB) cost for all employee health insurance benefits is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

(c) *Employees Covered by Benefit Terms*

	Total
Inactive employees currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>44</u>
Total	<u><u>67</u></u>

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(d) Total OPEB Liability

The Town's total OPEB liability of \$13,428,327 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024.

(e) Changes in the Total OPEB Liability

Changes in the Town's total OPEB liability were as follows:

	<u>Total OPEB Liability</u>
Balance, December 31, 2023	\$ 11,920,197
Changes recognized for the year:	
Service cost	419,634
Interest on Total OPEB Liability	453,653
Changes in assumptions and other inputs	924,505
Benefit payments	<u>(289,662)</u>
Net changes	<u>1,508,130</u>
Balance, December 31, 2024	<u>\$ 13,428,327</u>

(f) Sensitivity of the total OPEB liability to changes in the discount rate

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

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 15,795,782	\$ 13,428,327	\$ 11,529,527

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	\$ 11,169,734	\$ 13,428,327	\$ 16,366,577

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2024, the Town recognized OPEB expense of \$669,958. At December 31, 2024, the Town reported deferred outflows of resources related to OPEB from the following sources:

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 204,264	\$ 785,559
Changes of assumptions or other inputs	2,609,773	3,206,399
Employer contributions subsequent to the measurement date (Expected employer contribution including implicit subsidy)	336,750	
Total	\$ 3,150,787	\$ 3,991,958

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

Year ended December 31:	Amount
2024	\$ (98,900)
2025	97,098
2026	(302,866)
2027	(469,868)
2028	(521,634)
2029 and Thereafter	118,249

(i) Actuarial Methods and Assumptions

The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	January 1, 2023
Measurement Date	January 1, 2024
Reporting Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal - Level Percentage of Salary
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.60%
Healthcare Cost Trend Rates	7.0% in 2024, decreasing 0.5% per year to an ultimate rate of 4.04% in 2093.
Discount Rate	3.26% Source: Bond Buyer Weekly 20-Bond GO Index
Salary Scale	3.50%
Mortality - Actives	The Pub-2010 Mortality Table for employees, sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Mortality – Retirees	The Pub-2010 Mortality Table for healthy retirees, sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

(j) Changes to Assumptions and Other Inputs

The discount rate changed from 3.72% to 3.26%, which is a prescribed discount rate under GASB 75, and is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

6. *Interfund Transactions*

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

Fund Type	Interfund	
	Receivables	Payables
General Whole Town	\$ 128,871	\$ 119
General Part Town	643,821	
Highway Whole Town		757
Highway Part Town	223,638	469,981
Sewer	37,307	6,485
Capital	275,882	833,312
Private Purpose Trust - Cemetery	1,135	
Total	\$ 1,310,654	\$ 1,310,654

All interfund receivables and payables are considered current. The purpose of the above receivables and payables was to provide cashflow for capital projects and temporary payroll transactions between funds.

6. COMMITMENTS AND CONTINGENCIES

(a) *Litigation*

The Town has been named as a defendant in certain other actions. The main cases are in the discovery stages and, as a result, no liability can be estimated. The Town intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

(b) *Potential Grantor Liability*

The Town has received proceeds from various state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that programs have been operated in accordance with grant agreements and any required refunds will be minimal. No provision has been made in the accompanying financial statements for the refund of grant monies.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

7. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2024:

	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital	Non-Major Governmental	Total
Nonspendable	\$ 83,947	\$ 67,128	\$ 34,758	\$ 34,758	\$	\$	\$	\$	\$ 220,591
Restricted									
Reserve for Central Garage Equipment	4,358								4,358
Reserve for Highway Equipment			484,939						484,939
Reserve for Police Equipment		5,009							5,009
Sidewalk Reserve	17,000								17,000
Reserve for Recreation Equipment	6,755								6,755
Operation of Cemeteries								177,378	177,378
Total Restricted	<u>28,113</u>	<u>5,009</u>	<u>484,939</u>					<u>177,378</u>	<u>695,439</u>
Assigned									
Public Safety		1,039,695							1,039,695
Transportation			1,134,884	1,414,694					2,549,578
Home and Community Services					548,429	809,169		23,578	1,381,176
Appropriated for Subsequent Year's Budget	94,676	7,684	77,903	59,033					239,296
Total Assigned	<u>94,676</u>	<u>1,047,379</u>	<u>1,212,787</u>	<u>1,473,727</u>	<u>548,429</u>	<u>809,169</u>		<u>23,578</u>	<u>5,209,745</u>
Unassigned (Deficit)	<u>2,355,841</u>						(273,727)		<u>2,082,114</u>
Total Fund Equity (Deficit)	<u>\$ 2,562,577</u>	<u>\$ 1,119,516</u>	<u>\$ 1,732,484</u>	<u>\$ 1,508,485</u>	<u>\$ 548,429</u>	<u>\$ 809,169</u>	<u>\$ (273,727)</u>	<u>\$ 200,956</u>	<u>\$ 8,207,889</u>

(b) The following is a summary of the change in restricted reserve funds during the year ended December 31, 2024

	Beginning Balance	Additions	Ending Balance
General Fund			
Reserve for Central Garage Equipment	\$ 4,310	\$ 7	\$ 4,317
Reserve for Recreation Equipment	6,755	12	6,767
Sidewalk Reserve	17,000	29	17,029
	<u>28,065</u>	<u>48</u>	<u>28,113</u>
General Part Town Fund			
Reserve for Police Equipment	5,000	9	5,009
Highway Whole Town Fund			
Highway Equipment Capital Reserve	141,244	343,695	484,939
Nonmajor- Miscellaneous Special Revenue Fund			
Restricted for Operation of Cemeteries	135,461	41,917	177,378
Total	<u>\$ 309,770</u>	<u>\$ 385,669</u>	<u>\$ 695,439</u>

8. UNRESTRICTED NET POSITION DEFICIT- GOVERNMENT WIDE

The Government-Wide Unrestricted Net Position had a deficit amount of \$7,308,472 at December 31, 2024. The deficit is primarily the result of the recognition of an unfunded OPEB liability as required by GASB Statement 75 of \$13,428,327 at December 31, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

9. FUND BALANCE DEFICIT- CAPITAL FUND

The Capital Fund had a fund balance deficit of \$273,727 at December 31, 2024. This deficit is mainly due to the issuance of a bond anticipation note for \$225,000 and expenditures in anticipation of future grant funding. As the BAN proceeds are expended, the deficit will increase to the amount of the BAN. The deficit will be funded when the BAN is either redeemed through appropriations or permanently financed with either grant revenue or appropriations.

10. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

As the result of implementing GASB Statement No. 101, Compensated Absences, the Town has restated the beginning net position in the Statement of Net Position for Governmental Activities, effectively decreasing net position as of January 1, 2024 by \$62,896. The decrease results from restating its non-current term liabilities to reflect the additional liability for compensated absences required by this implementation.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2024

Measurement Date	1/1/2024	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018 *
Total OPEB Liability							
Service cost	\$ 419,634	\$ 685,536	\$ 682,430	\$ 440,527	\$ 301,555	\$ 516,548	\$ 482,568
Interest on Total OPEB Liability	453,653	347,520	321,673	341,911	393,497	424,015	413,675
Changes in Benefit Terms		(857,650)		(17,097)		(8,637)	
Change in assumptions and other inputs	924,505	(4,271,150)	1,005,857	1,461,695	2,341,442	(1,591,765)	666,169
Differences between expected and actual experience in the measurement of the total OPEB liability				525,936		(1,595,019)	
Benefit payments	(289,662)	(336,871)	(295,872)	(304,413)	(284,511)	(232,871)	(195,404)
Net change in total OPEB Liability	1,508,130	(4,432,615)	1,714,088	2,448,559	2,751,983	(2,487,729)	1,367,008
Total OPEB Liability - Beginning	<u>11,920,197</u>	<u>16,352,812</u>	<u>14,638,724</u>	<u>12,190,165</u>	<u>9,438,182</u>	<u>11,925,911</u>	<u>10,558,903</u>
Total OPEB Liability - Ending	<u>\$ 13,428,327</u>	<u>\$ 11,920,197</u>	<u>\$ 16,352,812</u>	<u>\$ 14,638,724</u>	<u>\$ 12,190,165</u>	<u>\$ 9,438,182</u>	<u>\$ 11,925,911</u>
Covered payroll	\$ 2,276,632	\$ 2,096,177	\$ 2,297,315	\$ 2,764,087	\$ 2,533,841	\$ 2,075,359	\$ 2,372,772
Total OPEB Liability as a percentage of covered payroll	589.83%	568.66%	711.82%	529.60%	481.09%	454.77%	502.62%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

The Town does not currently maintain assets in an OPEB trust.

Actuarial Assumptions:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 5 to the financial statements.

Changes to Assumptions:

The discount rate changed from 3.72% to 3.26%, which is a prescribed discount rate under GASB 75, and is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2024

ERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0065837%	0.0064976%	0.0065293%	0.0064954%	0.0066500%	0.0066056%	0.0070745%	0.0063652%	0.0065793%	0.0065793%
Town's proportionate share of the net pension liability (Asset)	\$ 969,381	\$ 1,393,346	\$ (533,740)	\$ 6,468	\$ 1,760,966	\$ 468,030	\$ 228,327	\$ 598,091	\$ 1,055,991	\$ 218,089
Town's covered-employee payroll	\$ 1,866,006	\$ 1,800,582	\$ 1,796,889	\$ 1,719,018	\$ 1,686,215	\$ 1,752,744	\$ 1,729,805	\$ 1,628,451	\$ 1,564,622	\$ 1,601,541
Town's proportionate share of the net pension liability (Asset) as a percentage of its covered-employee payroll	51.95%	77.38%	29.70%	0.38%	104.43%	26.70%	13.20%	36.73%	67.49%	13.62%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

PFRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0148239%	0.0143162%	0.0164909%	0.0170439%	0.0176780%	0.0155157%	0.0133397%	0.0149416%	0.0124457%	0.0124457%
Town's proportionate share of the net pension liability	\$ 703,072	\$ 788,890	\$ 93,676	\$ 295,928	\$ 944,881	\$ 260,207	\$ 134,832	\$ 309,687	\$ 368,490	\$ 32,628
Town's covered-employee payroll	\$ 609,926	\$ 556,941	\$ 578,619	\$ 587,152	\$ 523,021	\$ 469,315	\$ 393,160	\$ 400,081	\$ 350,181	\$ 427,071
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	115.27%	141.65%	16.19%	50.40%	180.66%	55.44%	34.29%	77.41%	105.23%	7.64%
Plan fiduciary net position as a percentage of total pension liability	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF TOWN'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2024

ERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 281,304	\$ 237,686	\$ 205,990	\$ 285,117	\$ 242,734	\$ 233,869	\$ 248,959	\$ 252,559	\$ 242,991	\$ 263,612
Contributions in Relation to the Contractually Required Contribution	<u>281,304</u>	<u>237,686</u>	<u>205,990</u>	<u>285,117</u>	<u>242,734</u>	<u>233,869</u>	<u>248,959</u>	<u>252,559</u>	<u>242,991</u>	<u>263,612</u>
Contribution Deficiency (Excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Town's Covered-ERS Employee Payroll	\$ 1,890,429	\$ 1,866,006	\$ 1,800,582	\$ 1,796,889	\$ 1,719,018	\$ 1,686,215	\$ 1,752,744	\$ 1,729,805	\$ 1,628,451	\$ 1,564,622
Contributions as a Percentage of Covered-Employee Payroll	14.88%	12.74%	11.44%	15.87%	14.12%	13.87%	14.20%	14.60%	14.92%	16.85%

PFRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 179,212	\$ 151,940	\$ 142,807	\$ 152,849	\$ 128,053	\$ 108,547	\$ 98,493	\$ 88,614	\$ 90,073	\$ 73,353
Contributions in Relation to the Contractually Required Contribution	<u>179,212</u>	<u>151,940</u>	<u>142,807</u>	<u>152,849</u>	<u>128,053</u>	<u>108,547</u>	<u>98,493</u>	<u>88,614</u>	<u>90,073</u>	<u>73,353</u>
Contribution Deficiency (Excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Town's Covered-ERS Employee Payroll	\$ 591,348	\$ 609,926	\$ 556,941	\$ 578,619	\$ 587,152	\$ 523,021	\$ 469,315	\$ 393,160	\$ 400,081	\$ 350,181
Contributions as a Percentage of Covered-Employee Payroll	30.31%	24.91%	25.64%	26.42%	21.81%	20.75%	20.99%	22.54%	22.51%	20.95%

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - GENERAL WHOLE TOWN FUND
For the Year Ended December 31, 2024

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 1,911,748	\$ 1,911,748	\$ 1,911,719	\$ (29)
Other Real Property Tax Items	98,000	98,000	68,100	(29,900)
Nonproperty Tax Items	402,477	402,477	874,061	471,584
Departmental Income	392,509	406,899	479,890	72,991
Use of Money and Property	53,200	53,200	41,660	(11,540)
Licenses and Permits	7,400	7,400	6,940	(460)
Fines and Forfeitures	21,000	21,000	22,923	1,923
Sale of Property and Compensation for Loss			860	860
Miscellaneous	8,500	8,500	8,600	100
State Aid	<u>282,488</u>	<u>282,488</u>	<u>285,073</u>	<u>2,585</u>
Total Revenues	<u>3,177,322</u>	<u>3,191,712</u>	<u>3,699,826</u>	<u>508,114</u>
Expenditures				
General Government Support	1,672,055	1,660,498	1,660,498	
Public Safety	44,000	41,806	41,806	
Transportation	136,836	119,121	119,121	
Social Services	24,696	30,481	30,481	
Home and Community Services	53,802	55,851	55,851	
Culture and Recreation	420,066	420,909	420,909	
Employee Benefits	791,844	853,475	857,765	(4,290)
Debt Service - Principal	44,000	37,703	37,703	
Debt Service - Interest	<u>1,279</u>	<u>1,036</u>	<u>1,036</u>	
Total Expenditures	<u>3,188,578</u>	<u>3,220,880</u>	<u>3,225,170</u>	<u>(4,290)</u>
Excess (Deficit) Revenues Over Expenditures	<u>(11,256)</u>	<u>(29,168)</u>	<u>474,656</u>	<u>503,824</u>
Other Financing Sources				
Appropriated Fund Balance	<u>11,256</u>	<u>29,168</u>		<u>(29,168)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 474,656</u>	<u>\$ 474,656</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL PART TOWN FUND
For the Year Ended December 31, 2024

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	\$ 1,299,794	\$ 1,299,794	\$ 1,307,478	\$ 7,684
Departmental Income	47,500	162,500	139,374	(23,126)
Use of Money and Property	1,500	1,500	1,781	281
Licenses and Permits	13,000	13,000	10,055	(2,945)
Miscellaneous		2,030	7,030	5,000
State Aid	<u>182,488</u>	<u>344,362</u>	<u>91,732</u>	<u>(252,630)</u>
Total Revenues	<u>1,544,282</u>	<u>1,823,186</u>	<u>1,557,450</u>	<u>(265,736)</u>
Expenditures				
General Government Support		5,459	5,459	
Public Safety	859,054	1,137,958	730,438	407,520
Home and Community Services	105,802	99,752	83,733	16,019
Culture and Recreation	34,000	44,524	44,524	
Employee Benefits	568,572	558,639	499,430	59,209
Debt Service - Principal	15,213	15,213	15,213	
Debt Service - Interest	<u>2,745</u>	<u>2,745</u>	<u>2,417</u>	<u>328</u>
Total Expenditures	<u>1,585,386</u>	<u>1,864,290</u>	<u>1,381,214</u>	<u>483,076</u>
Excess (Deficit) Revenues Over Expenditures	<u>(41,104)</u>	<u>(41,104)</u>	<u>176,236</u>	<u>217,340</u>
Other Financing Sources				
Appropriated Fund Balance	<u>41,104</u>	<u>41,104</u>		<u>(41,104)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 176,236</u>	<u>\$ 176,236</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - HIGHWAY WHOLE TOWN FUND
For the Year Ended December 31, 2024

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 1,250,715	\$ 1,250,715	\$ 1,250,715	\$
Nonproperty Tax Items	38,365	38,365	116,268	77,903
Intergovernmental Charges	198,722	198,722	199,711	989
Use of Money and Property	175	175	4,155	3,980
Sale of Property and Compensation for Loss	5,000	5,000	15,292	10,292
Miscellaneous	<u>1,781</u>	<u>1,781</u>	<u>1,781</u>	<u>1,781</u>
Total Revenues	<u>1,492,977</u>	<u>1,492,977</u>	<u>1,587,922</u>	<u>94,945</u>
Expenditures				
General Government Support				
Transportation	1,089,155	1,161,208	1,078,623	82,585
Employee Benefits	350,067	359,337	346,384	12,953
Debt Service - Principal	164,754	164,787	164,787	
Debt Service - Interest	<u>16,904</u>	<u>16,871</u>	<u>12,686</u>	<u>4,185</u>
Total Expenditures	<u>1,620,880</u>	<u>1,702,203</u>	<u>1,602,480</u>	<u>99,723</u>
Excess (Deficit) Revenues Over Expenditures	<u>(127,903)</u>	<u>(209,226)</u>	<u>(14,558)</u>	<u>194,668</u>
Other Financing Sources				
Appropriated Fund Balance	<u>127,903</u>	<u>209,226</u>	<u></u>	<u>(209,226)</u>
(Deficit) Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ (14,558)</u>	<u>\$ (14,558)</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - HIGHWAY PART TOWN FUND
For the Year Ended December 31, 2024

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	\$ 1,271,341	\$ 1,271,341	\$ 1,330,374	\$ 59,033
Departmental Income			8,375	8,375
Intergovernmental Charges	1,000	1,000	13,600	12,600
Use of Money and Property			5,040	5,040
Sale of Property and Compensation for Loss			1,943	1,943
State Aid	<u>250,000</u>	<u>250,000</u>	<u>238,579</u>	<u>(11,421)</u>
Total Revenues	<u>1,522,341</u>	<u>1,522,341</u>	<u>1,597,911</u>	<u>75,570</u>
Expenditures				
Transportation	1,232,909	1,232,909	1,202,034	30,875
Employee Benefits	<u>348,465</u>	<u>348,465</u>	<u>339,526</u>	<u>8,939</u>
Total Expenditures	<u>1,581,374</u>	<u>1,581,374</u>	<u>1,541,560</u>	<u>39,814</u>
Excess (Deficit) Revenues Over Expenditures	(59,033)	(59,033)	56,351	115,384
Other Financing Sources				
Appropriated Fund Balance	<u>59,033</u>	<u>59,033</u>		<u>(59,033)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 56,351</u>	<u>\$ 56,351</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - SEWER FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 101,621	\$ 101,621	\$ 101,621	\$
Use of Money and Property			1,045	1,045
Total Revenues	<u>101,621</u>	<u>101,621</u>	<u>102,666</u>	<u>1,045</u>
Expenditures				
Home and Community Services	99,866	115,166	91,617	23,549
Employee Benefits	1,755	1,755	1,710	45
Total Expenditures	<u>101,621</u>	<u>116,921</u>	<u>93,327</u>	<u>23,594</u>
Excess (Deficit) Revenues Over Expenditures		(15,300)	9,339	24,639
Other Financing Sources				
Appropriated Fund Balance		15,300		(15,300)
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 9,339</u>	<u>\$ 9,339</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - WATER FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 126,145	\$ 126,145	\$ 126,145	\$
Use of Money and Property		182	2,195	2,013
Total Revenues	<u>126,145</u>	<u>126,327</u>	<u>128,340</u>	<u>2,013</u>
Expenditures				
Home and Community Services	24,366	28,372	6,000	22,372
Debt Service - Principal	85,000	85,000	85,000	
Debt Service - Interest	<u>16,779</u>	<u>16,779</u>	<u>16,778</u>	<u>1</u>
Total Expenditures	<u>126,145</u>	<u>130,151</u>	<u>107,778</u>	<u>22,373</u>
Excess (Deficit) Revenues Over Expenditures		(3,824)	20,562	24,386
Other Financing Sources				
Appropriated Fund Balance		<u>3,824</u>		<u>(3,824)</u>
Revenues Over Expenditures and and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 20,562</u>	<u>\$ 20,562</u>

**TOWN OF WHITESTOWN, NEW YORK
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2024**

Assets	<u>Fire</u>	<u>Lighting</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Current Assets				
Unrestricted Cash	\$ 3,085	\$ 23,161	\$	\$ 26,246
Restricted Cash			176,243	176,243
Due from Other Funds			<u>1,135</u>	<u>1,135</u>
Total Current Assets	<u>\$ 3,085</u>	<u>\$ 23,161</u>	<u>\$ 177,378</u>	<u>\$ 203,624</u>
Liabilities and Fund Equity				
Current Liabilities				
Accounts Payable	<u>\$</u>	<u>\$ 2,668</u>	<u>\$</u>	<u>\$ 2,668</u>
Fund Equity				
Restricted for Cemetery			177,378	177,378
Assigned	<u>3,085</u>	<u>20,493</u>	<u></u>	<u>23,578</u>
Total Fund Equity	<u>3,085</u>	<u>20,493</u>	<u>177,378</u>	<u>200,956</u>
Total Liabilities and Fund Equity	<u>\$ 3,085</u>	<u>\$ 23,161</u>	<u>\$ 177,378</u>	<u>\$ 203,624</u>

TOWN OF WHITESTOWN, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	<u>Fire</u>	<u>Lighting</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues				
Real Property Taxes	\$ 440,005	\$ 26,628	\$	\$ 466,633
Service Revenue			17,330	17,330
Use of Money and Property	<u>8</u>	<u>65</u>	<u>2,542</u>	<u>2,615</u>
Total Revenues	<u>440,013</u>	<u>26,693</u>	<u>19,872</u>	<u>486,578</u>
Expenditures				
General Government Support			910	910
Public Safety	440,005			440,005
Transportation		<u>26,430</u>		<u>26,430</u>
Total Expenditures	<u>440,005</u>	<u>26,430</u>	<u>910</u>	<u>467,345</u>
Excess Revenues Over Expenditures	8	263	18,962	19,233
Fund Equity, Beginning of Year	<u>3,077</u>	<u>20,230</u>	<u>158,416</u>	<u>181,723</u>
Fund Equity, End of Year	<u>\$ 3,085</u>	<u>\$ 20,493</u>	<u>\$ 177,378</u>	<u>\$ 200,956</u>

See Independent Auditor's Report

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Town Board
Town of Whitestown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Whitestown, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Town of Whitestown, New York's basic financial statements, and have issued our report thereon dated March XX, 2026. Our report includes a qualified opinion because our audit did not include the substantiation of fixed assets. We were unable to obtain sufficient appropriate audit evidence to support the fixed assets.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2018-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2021-001, 2019-001, 2018-002, 2018-003, 2018-006, and 2018-007 to be significant deficiencies.

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

March 31, 2026
Rome, New York

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

I. FINDINGS—FINANCIAL STATEMENT AUDIT

No new findings noted for the current year.

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

I. FINDINGS—FINANCIAL STATEMENT AUDIT

2023-001 Procurement

Condition: We noted two purchases of heavy equipment for a total of \$961,503 made prior to budgeted appropriations being available. The two purchases were made from the Highway funds. We also noted purchases for the Highway Departments that were under the formal bid threshold but were not in compliance with the Town's procurement policy with regard to obtaining written quotes or proposals.

Criteria: Per General Municipal and Town law, the General and Highway funds have legally required budgets that should not be over expended without the approval of the Town Board. The Town's procurement policy requires written quotes or proposals for purchase contracts from \$500 to \$20,000 and public works contracts from \$500 to \$35,000.

Status: Although not similar instance budgeting issues were noted in 2024, we did note that 8 of our selections for a total of \$27,219 did not comply with the Town's procurement policy. The Town has not implemented a purchase order system to encumber the budget prior to making purchases.

Response: The Town will implement a purchase order system to encumber the budget prior to making purchases. The purchase will not be allowed unless there is compliance with the Town's Procurement Policy with available appropriation. Vendors will be notified that without a valid purchase order the purchase may not be allowed. Employees with purchasing privileges will be trained annually so there is a full understanding of the Town's Procurement Policy.

2018-001 Fixed Assets

Condition: The Town has no formal inventory or capitalization policy. Our audit report has been qualified because we were unable to audit fixed assets.

Criteria: The Town's department heads must ensure that capital assets are protected from loss, that their value is maintained, and that they are used effectively. In addition, generally accepted accounting standards require that the cost of fixed assets be properly capitalized and depreciated. Generally fixed assets include land, building and improvements, equipment, vehicles, and infrastructure.

Status: Not corrected.

Response: The Town is exploring an inventory/asset program and developing a capitalization policy.

2018-002 Use of Purchase Orders

Condition: The purchasing function for the Town's operations is presently performed by each department. There is no formal approval process for initial purchases. Departments can make purchases, and then complete the vouchers after the fact. Any employee is able to purchase at a store where the Town has a charge account. Purchase Orders are not used. Department Heads are responsible for monitoring their own budgets and the Finance Department is not able to review budgets until after the purchases have been made.

Criteria: Proper budgetary controls require that purchase orders be utilized to ensure that available appropriations are present before procurement.

Status: Not corrected.

Response: The Town Board is in the process of amending the Town's Procurement Policy to include the use of Purchase Orders. Currently, purchase orders are utilized at the discretion of the Finance Director.

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

I. FINDINGS—FINANCIAL STATEMENT AUDIT (Continued)

2018-003 Vendor Changes

Condition: During our testing of accounts payable, we noted that all of the employees involved in the accounts payable process have the ability to make changes to the vendor file in the system. These changes are not reviewed.

Criteria: As a best practice, vendor change reports should be reviewed on a regular basis to prevent unauthorized activity in a timely manner.

Status: Not corrected.

Response: The Town has changed controls on the current software so only the Director of Finance can make changes to the vendor file system. Beginning in 2025, a vendor change report is generated for and signed by the Town Supervisor when a new vendor is added or a change is made to a current vendor.

2018-006 Journal Entry Approval

Condition: During our testing, we noted that there is currently no process for approving journal entries.

Criteria: Effective internal controls need to segregate custody, posting, and reconciliation of activity.

Status: For the 2024 year, approvals for journal entries were not maintained and supporting documents were not filed with the journal entries for review.

Response: A monthly report will be generated for the Town Supervisor to track journal entries.

2018-007 Computer Controls

Condition: During the course of our audit, we noted the following:

- Employees are not required to change their passwords periodically;
- Multiple users share the same password, instead of each user having their own unique password;
- There is no “lock-out” after multiple failed attempts of an incorrect password;
- There is no automatic time out after a period of inactivity;
- The server room is not protected by a locked door;
- There is no written Disaster Recovery Plan.

In addition, we noted that there are several users that have excessive rights in the accounting software that are not needed for them to perform their job duties.

Criteria: Effective internal controls need to ensure that computer controls and safeguards facilitate the segregation of duties and the integrity and safeguarding of all electronic data files.

Status: Partially corrected, the server room is locked.

Response: Mandatory training will be implemented in 2026. The Town Board will work with Arctic Wolf and Secure Network Solutions to correct all noted conditions.

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

II. FINDINGS—FINANCIAL STATEMENT AUDIT (Continued)

2019-001 General Accounting Issues

Condition: As part of our audit procedures, we proposed several reclassifying entries in order to properly present various accounts. During our audit, we noted the following accounting issues:

- A. Grant accounting – During 2019, the Town had various grants for the Sauquoit Creek Channel & Floodplain Restoration Project that were not reconciled to the postings to the general ledger. This resulted in issues with cash, interfund activity, grant revenues, and grant expenditures not being properly accounted for.
- B. The software’s reporting capabilities appear to be limited. For example, the software is not capable of generating vendor change reports or individual general journal entries. The software is also not capable of exporting to a spreadsheet or csv file for additional analysis.

Criteria: Accounting tasks such as timely postings and monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim financial statements.

Status: Although there were improvements, there remains the following areas in need of improvement:

- A. During 2024, grant accounts were not reconciled to grant reporting and required significant audit adjustments.
- B. The Town’s software remained the same in 2024.

Response: The contract with Hilton & Powers CPA's was not renewed. Significant progress has taken place and all financial reports are up to date at November 30, 2025.

II. FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2021-001 Federal Uniform Guidance Policies and Procedures

Condition: The Town currently has effective procedural controls in place over the management of Federal awards as concluded through the testing of grant expenditures. However, key provisions of the Uniform Guidance rules regarding the documentation of internal controls over federal awards require that they be documented in writing in the Town’s policies and that management should evaluate and document the results of ongoing monitoring to identify internal control issues. The written internal controls should specifically address each of the applicable twelve (12) compliance requirements of the federal award programs.

Criteria: On December 26, 2014 the Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, more commonly referred to as the “Uniform Guidance,” became effective for all federal awards, whether the funds are provided directly from a federal agency or passed-through another state or local agency.

Status: Not corrected.

Response: The Town Board will formally adopt the Federal Uniform Guidance Policies and Procedures as Town policy, as well as adopt monitoring procedures/procedural controls for federal awards.