Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2025

Town of Yorktown, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the 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* for the year ended December 31, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements for the year ended December 31, 2025 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the basic financial statements of the Town as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated June 6, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2026 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
May 13, 2026

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Introduction

The following narrative and analysis of the Town of Yorktown, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the fiscal year ended December 31, 2025. This analysis should be read in conjunction with the basic financial statements and accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by $72,342,207.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $55,179,772 a decrease of $986,862 from the prior fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund is $24,073,829. This represents a decrease of $341,264 in unassigned fund balance from the previous year.
- In 2025 no new long-term indebtedness was issued.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements (3) and notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statements and other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Town that are *governmental activities* (those principally supported by taxes and intergovernmental revenues) and functions of the Town that are *business-type activities* (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

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

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

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

The Town maintains the following governmental funds: General Fund, Highway Fund, Special Districts Fund, Capital Projects Fund, Community Development Fund, Public Library Fund, Special Purpose Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, since they are classified as major funds. Individual fund data for the Community Development Fund, Public Library Fund, Special Purpose Fund and the Debt Service Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual budgets for the General Fund, Highway Fund, Special Districts Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General, Highway and Special Districts funds to demonstrate compliance with the respective budgets.

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

Proprietary Funds are used to show activities that operate similar to private business enterprises. The town maintains two proprietary funds, which are internal service funds, to account for its self-insured worker's compensation and general liability claims programs. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the basic financial statement section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The Town maintains one type of fiduciary fund that is known as a Custodial Fund. The Town holds resources in this fund purely in a custodial capacity, primarily to account for real property taxes collected for other governments. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate government.

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

Notes to Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Town's OPEB obligations and net pension liability, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $72,342,207 at the close of 2025. Of this amount, $ 2,986,034 is restricted for various purposes (debt service fund, trusts and parklands). The net investment in capital assets accounts for $111,338,576 of the total net position.

The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

	2025	2024
Current Assets	$ 82,687,722	$ 80,183,159
Capital Assets, net	122,235,229	118,470,944
Total Assets	204,922,951	198,654,103
Deferred outflows of Resources	25,402,551	29,075,179
Current Liabilities	10,666,125	7,668,489
Long-term Liabilities	120,676,844	111,755,293
Total Liabilities	131,342,969	119,423,782
Deferred Inflows of Resources	26,640,326	38,671,823
NET POSITION		
Net investment in capital assets	111,338,576	106,358,437
Restricted	2,986,034	2,538,583
Unrestricted	(41,982,403)	(39,263,343)
Total Net Position	$ 72,342,207	$ 69,633,677

The restricted net position of $2,986,034 represents resources that are subject to external restrictions on how they may be used.

Restricted Net Position

	2025	2024
Debt Service	$ 1,223,951	$ 1,220,794
Special Revenue Funds	54,556	-
Trusts	780,875	762,740
Parklands	926,652	555,049
	$ 2,986,034	$ 2,538,583

Change in Net Position

	2025	2024
PROGRAM REVENUES		
Charges for Services	$ 19,156,928	$ 18,997,781
Operating Grants and Contributions	5,214,178	8,171,954
Capital Grants and Contributions	3,157	4,029
General Revenues		
Real Property Taxes	36,194,996	33,654,809
Other Tax items	804,520	859,942
Non-Property Taxes	11,137,266	10,725,506
Unrestricted Use of Money and Property	2,141,228	2,731,459
Sale of Property and Compensation for Loss	35,637	21,274
Unrestricted State Aid	1,526,198	1,185,780
Miscellaneous	307,800	489,895
Total Revenues	76,521,908	76,842,429
PROGRAM EXPENSES		
General Government Support	9,386,926	12,279,754
Public Safety	19,960,891	22,606,417
Health	1,189,159	793,810
Transportation	8,363,988	8,373,930
Economic Opportunity and Development	3,702,033	3,615,276
Culture and Recreation	9,656,652	10,622,147
Home and Community Services	21,308,693	23,406,836
Interest	245,036	296,133
Total Expenses	73,813,378	81,994,303
Change in Net Position	2,708,530	(5,151,874)
NET POSITION		
Beginning, as reported	69,633,677	75,348,728
Cumulative Effect of Change in Accounting Principle	-	(563,177)
Ending	$ 72,342,207	$ 69,633,677

For the fiscal year ended December 31, 2025, actual revenues from governmental activities totaled $76,521,908 which is a decrease of $320,521 from 2024. This decrease is due to major changes in the following categories: Real Property Taxes $2,540,187, Operating Grants and Contributions ($2,957,776). Real Property Tax revenues of $36,194,996 represent 47.3% of total revenues.

Actual Expenses from governmental activities for the fiscal year ended December 31, 2025 totaled $73,813,378 a decrease of $8,180,925 from fiscal year 2024. This decrease can be attributed to decrease in Public Safety ($2,645,526), Home and Community Services ($2,098,143), Government Support ($2,892,828) and Culture & Recreation ($965,495).

Financial Analysis of the Town's Funds

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

<u>Governmental Funds</u>

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

At of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $55,179,772, a decrease of $986,862 from the prior year. Of this amount, $8,870,642 is reported as either *non-spendable* or *restricted,* which indicates that it is not available for new spending because it has already been set aside for:

1) Prepaid expenditures	$	1,299,648
2) Employee benefit accrued liability		3,883,660
3) Debt service		1,223,951
4) Parklands		926,652
5) Trusts		780,875
6) Community development		49,422
6) Leases		396,432
7) Capital projects		110,002
8) PILOT Tax Protection		200,000

$17,079,932 constitutes *assigned fund balances,* of which $1,833,540 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2026 budget, while $529,810 has been assigned for tax certiorari payments leaving an assigned fund balance of $17,079,932, representing the residual fund balances of the Highway and Special Districts funds and the Purchases on Order (Encumbrances) of $1,604,218. The Town's total *unassigned fund balance* for governmental funds is $24,073,829 which consists of the unassigned fund balance in the General Fund of $24,073,829. The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was $35,642,188.

<u>General Fund</u>

As a measure of the General Fund's liquidity, it is useful to compare the committed, assigned and unassigned fund balance to the total fund balance and to the General Fund expenditures and other financing uses. The assigned and unassigned fund balance of $ 26,335,719 represents 73.89% of the total General Fund balance and 64.54% of the General Fund's expenditures and other financing uses.

When the fiscal 2025 General Fund budget was adopted, it anticipated the use of $1,425,000 of fund balance. Actual results of operations resulted in a decrease of $1,284,015 in the General Fund total fund balance.

Highway Fund

The fund balance in the Highway Fund decreased by $135,516 to $3,425,702 in the current fiscal year. This decrease is related to the funding of the Highway Garage Addition Change Order #1 to the Capital Project.

Library Fund

The Library fund balance had a decrease of $96,053 in 2025.

Special District Funds

The Special Districts total combined fund balance of $11,497,743 at the end of the current fiscal year has an increase of $133,856 from the previous year. The breakdown of this increase is as follows:

Combined Water Districts	$	195,639
Combined Sewer Districts		(248,551)
Refuse District		94,973
Combined Park Districts		95,897
Advanced Life Support		(4,102)
	$	133,856

Capital Projects

The fund balances of all Capital Projects Funds total $110,002. Expenditures in 2025 reflect costs associated with the water department projects, Old Crompond Rd culvert, pickleball renovations, Rt 118 intersection and highway renovation project.

Proprietary Funds

The Town's proprietary funds consist of both Workers' Compensation benefits and General Liability claims. There was a decrease in the total net position in 2025 by $1,421,077 due to adjustments to the Loss Run Reserve due to a methodology change from the new Workers Compensation Third Party Administrator.

General Fund Budgetary Highlights

The final budgeted amount for revenue, inclusive of other financing sources, was $36,121,192 with collections totaling $39,519,561. This amount reflects increases in collections for sales tax, licenses and permits and federal and state aid grant reimbursements.

The final budgeted amount for expenditures, inclusive of other financing uses, was $44,125,372. The final amount of actual expenditures was $40,803,576. Salaries and benefits were reduced in the following departments due to vacant positions: Police, Finance and Building. In addition, due to vacant positions and new hires at reduced pension costs, savings were noted in employee benefits.

The reduction in expenditures coupled with the increase in transfers to capital accounts for the majority of the decrease in the General Fund fund balance..

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2025 amounted to $122,235,229. The net investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Capital Assets
(Net of Accumulated Depreciation)

	2025	2024
Land	$ 15,309,930	$ 15,309,930
Construction-in-Progress	26,355,003	22,083,460
Total Assets Not Depreciated	41,664,933	37,393,390
Land Improvements	2,275,412	2,513,888
Buildings and Improvements	23,071,164	24,082,702
Infrastructure	47,732,335	47,961,527
Machinery and Equipment	7,491,385	6,519,437
Total Assets Net of Depreciation	80,570,296	81,077,554
Total Capital Assets	$ 122,235,229	$ 118,470,944

Additional information on the Town's capital assets can be found in Note 3D in the notes to financial statements.

Long Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of $8,975,000. The Town’s serial bond debt decreased by $965,000. Total outstanding long-term debt was bonded for the purposes of sewer installation projects. Payments on short-term obligations totaled $308,350. All of this debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property.

Additional information on the Town's short-term and long-term debt can be found in Notes 3E and 3F, respectively, in the notes to financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town of Yorktown, New York’s finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Town Comptroller, Town of Yorktown, 363 Underhill Avenue, Yorktown Heights, NY 10598.

Town of Yorktown, New York

Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	$ 61,481,152
Receivables	
Taxes, net	2,605,647
Accounts	1,729,552
Leases	5,362,506
Due from other governments	2,809,329
Prepaid expenses	1,299,648
Investment in joint venture	7,399,888
Capital assets	
Not being depreciated	41,664,933
Being depreciated, net	80,570,296
Total Assets	204,922,951
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	12,502,394
OPEB related	12,900,157
Total Deferred Outflows of Resources	25,402,551
LIABILITIES	
Accounts payable	5,556,597
Deposits	2,890,242
Employee payroll deductions	162,163
Unearned revenues	39,124
Bond anticipation notes payable	1,955,950
Accrued interest payable	62,049
Non-current liabilities	
Due within one year	4,286,125
Due in more than one year	116,390,719
Total Liabilities	131,342,969
DEFERRED INFLOWS OF RESOURCES	
Pension related	881,353
Taxes collected in advance	147,988
OPEB related	20,644,911
Lease related	4,966,074
Total Deferred Inflows of Resources	26,640,326
NET POSITION	
Net Investment in capital assets	111,338,576
Restricted	
Debt service	1,223,951
Special Revenue funds	
Community development	54,556
Trusts	780,875
Parklands	926,652
Unrestricted	(41,982,403)
Total Net Position	$ 72,342,207

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

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Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General government support	$ 9,386,926	$ 5,037,199	$ -	$ -	$ (4,349,727)
Public safety	19,960,891	931,649	18,754	-	(19,010,488)
Health	1,189,159	-	62,051	-	(1,127,108)
Transportation	8,363,988	-	1,461,573	-	(6,902,415)
Economic opportunity and development	3,702,033	-	2,682,102	-	(1,019,931)
Culture and recreation	9,656,652	2,652,994	295,385	-	(6,708,273)
Home and community services	21,308,693	10,535,086	694,313	-	(10,079,294)
Interest	245,036	-	-	3,157	(241,879)
Total Governmental Activities	$ 73,813,378	$ 19,156,928	$ 5,214,178	$ 3,157	(49,439,115)
General revenues					
Real property taxes					36,194,996
Other tax items					
Interest and penalties on real property taxes					715,965
Payments in lieu of taxes					88,555
Non-property taxes					
Non-property tax distribution from County					10,250,013
Franchise fees					887,253
Unrestricted use of money and property					2,141,228
Sale of property and compensation for loss					35,637
Unrestricted State aid					1,526,198
Miscellaneous					307,800
Total General Revenues					52,147,645
Change in Net Position					2,708,530
NET POSITION					
Net Position Beginning					69,633,677
Net Position - Ending					$ 72,342,207

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

Town of Yorktown, New York

Balance Sheet
Governmental Funds
December 31, 2025

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	$ 35,308,354	$ 3,929,522	$ 11,376,653	$ 4,540,736
Taxes receivable, net	2,605,647	-	-	-
Other receivables				
Accounts	436,178	4,457	1,288,917	-
Leases	5,362,506	-	-	-
Due from other governments	2,809,329	-	-	-
Due from other funds	80,436	-	14,196	-
	8,688,449	4,457	1,303,113	-
Prepaid expenditures	1,023,084	76,162	144,034	-
Total Assets	$ 47,625,534	$ 4,010,141	$ 12,823,800	$ 4,540,736
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 1,001,163	$ 694,340	$ 1,326,057	$ 2,474,784
Deposits payable	2,890,242	-	-	-
Employee payroll deductions	162,163	-	-	-
Due to other funds	288,245	25,615	-	-
Unearned revenues	39,124	-	-	-
Bond anticipation notes payable	-	-	-	1,955,950
Total Liabilities	4,380,937	719,955	1,326,057	4,430,734
Deferred inflows of resources				
Taxes collected in advance	147,988	-	-	-
Deferred tax revenues	2,488,347	-	-	-
Lease related	4,966,074	-	-	-
Total Deferred Inflows of Resources	7,602,409	-	-	-
Total Liabilities and Deferred Inflows of Resources	11,983,346	719,955	1,326,057	4,430,734
Fund balances				
Nonspendable	1,419,516	76,162	144,034	-
Restricted	2,731,584	517,395	1,828,910	110,002
Committed	5,155,369	-	-	-
Assigned	2,261,890	2,696,629	9,524,799	-
Unassigned	24,073,829	-	-	-
Total Fund Balances	35,642,188	3,290,186	11,497,743	110,002
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 47,625,534	$ 4,010,141	$ 12,823,800	$ 4,540,736

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

Non-Major Governmental	Total Governmental Funds
$ 4,723,974	$ 59,879,239
-	2,605,647
-	1,729,552
-	5,362,506
-	2,809,329
-	94,632
-	9,996,019
56,368	1,299,648
$ 4,780,342	$ 73,780,553
$ 60,253	$ 5,556,597
-	2,890,242
-	162,163
80,436	394,296
-	39,124
-	1,955,950
140,689	10,998,372
-	147,988
-	2,488,347
-	4,966,074
-	7,602,409
140,689	18,600,781
56,368	1,696,080
1,986,671	7,174,562
-	5,155,369
2,596,614	17,079,932
-	24,073,829
4,639,653	55,179,772
$ 4,780,342	$ 73,780,553

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Town of Yorktown, New York

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

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

Total Fund Balances - Governmental Funds	$ 55,179,772
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	
Capital assets - non - depreciable	41,664,933
Capital assets - depreciable	195,521,943
Accumulated depreciation	(114,951,647)
Investment in joint venture is not reported in the funds.	7,399,888
	129,635,117
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	12,502,394
Deferred outflows - OPEB related	12,900,157
Deferred inflows - pension related	(881,353)
Deferred inflows - OPEB related	(20,644,911)
	3,876,287
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Real property taxes	2,488,347
Internal service funds are used by management to charge the cost of workers compensation and general liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(1,267,599)
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(62,049)
General obligation bonds payable	(8,975,000)
Compensated absences	(4,180,756)
Net pension liability	(17,471,580)
Total OPEB liability	(86,880,332)
	(117,569,717)
Net Position of Governmental Activities	$ 72,342,207

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

Town of Yorktown, New York

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

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	$ 13,794,012	$ 6,691,235	$ 13,311,090	$ -
Other tax items	804,473	-	130,386	-
Non-property taxes	11,137,266	-	-	-
Departmental income	4,770,441	-	8,856,394	-
Intergovernmental charges	-	-	1,035,579	-
Use of money and property	2,789,526	230,786	580,067	-
Licenses and permits	1,841,633	-	-	-
Fines and forfeitures	923,142	-	-	-
Sale of property and compensation for loss	35,637	1,884	190,446	-
State aid	1,592,276	1,131,360	15,154	-
Federal aid	99,308	-	-	-
Miscellaneous	189,820	91,652	31,643	-
Total Revenues	37,977,534	8,146,917	24,150,759	-
EXPENDITURES				
Current				
General government support	7,611,914	-	-	-
Public safety	14,562,580	-	-	-
Health	-	-	1,189,159	-
Transportation	479,059	8,033,530	-	-
Economic opportunity and development	976,165	-	-	-
Culture and recreation	4,492,858	-	223,642	-
Home and community services	916,215	-	17,442,337	-
Employee benefits	7,681,938	844,607	1,723,139	-
Debt service				
Principal	-	-	965,000	-
Interest	-	-	255,111	-
Capital outlay	-	-	-	4,271,543
Total Expenditures	36,720,729	8,878,137	21,798,388	4,271,543
Excess (Deficiency) of Revenues Over Expenditures	1,256,805	(731,220)	2,352,371	(4,271,543)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	5,891	-	-
Sale of equipment	20,277	-	-	-
Transfers in	1,521,750	729,851	298,272	4,189,799
Transfers out	(4,082,847)	(140,038)	(2,516,787)	-
Total Other Financing Sources (Uses)	(2,540,820)	595,704	(2,218,515)	4,189,799
Net Change in Fund Balances	(1,284,015)	(135,516)	133,856	(81,744)
FUND BALANCES				
Beginning of year	36,926,203	3,425,702	11,363,887	191,746
End of Year	$ 35,642,188	$ 3,290,186	$ 11,497,743	$ 110,002

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

Non-Major Governmental	Total Governmental Funds
$ 2,385,648	$ 36,181,985
-	934,859
-	11,137,266
17,418	13,644,253
456,530	1,492,109
191,976	3,792,355
-	1,841,633
-	923,142
-	227,967
11,527	2,750,317
2,497,463	2,596,771
461,882	774,997
6,022,444	76,297,654
-	7,611,914
-	14,562,580
-	1,189,159
-	8,512,589
2,443,361	3,419,526
2,762,512	7,479,012
-	18,358,552
436,014	10,685,698
-	965,000
-	255,111
-	4,271,543
5,641,887	77,310,684
380,557	(1,013,030)
-	5,891
-	20,277
-	6,739,672
-	(6,739,672)
-	26,168
380,557	(986,862)
4,259,096	56,166,634
$ 4,639,653	$ 55,179,772

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Town of Yorktown, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	$ (986,862)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	8,925,437
Depreciation expense	(5,161,152)
Equity interest in joint venture	812,726
	4,577,011
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	13,011
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal paid on general obligation bonds	965,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	10,075
Compensated absences	(334,114)
Change in pension liabilities and related deferred outflows and inflows or resources	842,177
Change in OPEB liabilities and related deferred outflows and inflows or resources	(956,691)
	(438,553)
Internal service funds are used by management to charge the costs of risk to individual funds. The net loss of the activities of internal service funds are reported within governmental activities.	(1,421,077)
Change in Net Position of Governmental Activities	$ 2,708,530

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

Town of Yorktown, New York

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

	General			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 14,139,231	$ 14,139,231	$ 13,794,012	$ (345,219)
Other tax items	914,111	914,111	804,473	(109,638)
Non-property taxes	9,760,600	9,760,600	11,137,266	1,376,666
Departmental income	4,134,293	4,134,293	4,770,441	636,148
Intergovernmental charges	-	-	-	-
Use of money and property	2,070,700	2,070,700	2,789,526	718,826
Licenses and permits	1,469,500	1,469,500	1,841,633	372,133
Fines and forfeitures	670,000	670,000	923,142	253,142
Sale of property and compensation for loss	25,000	25,000	35,637	10,637
State aid	1,226,777	1,226,777	1,592,276	365,499
Federal aid	85,000	85,000	99,308	14,308
Miscellaneous	105,000	105,000	189,820	84,820
Total Revenues	34,600,212	34,600,212	37,977,534	3,377,322
EXPENDITURES				
Current				
General government support	8,320,269	8,534,082	7,611,914	922,168
Public safety	15,026,751	15,621,579	14,562,580	1,058,999
Health	-	-	-	-
Transportation	479,584	497,226	479,059	18,167
Economic opportunity and development	980,080	994,466	976,165	18,301
Culture and recreation	4,187,229	4,588,582	4,492,858	95,724
Home and community services	904,182	1,041,396	916,215	125,181
Employee benefits	8,637,228	8,765,194	7,681,938	1,083,256
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	38,535,323	40,042,525	36,720,729	3,321,796
Excess (Deficiency) of Revenues Over Expenditures	(3,935,111)	(5,442,313)	1,256,805	6,699,118
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Sale of equipment	-	-	20,277	20,277
Transfers in	1,521,750	1,521,750	1,521,750	-
Transfers out	(23,500)	(4,082,847)	(4,082,847)	-
Total Other Financing Sources (Uses)	1,498,250	(2,561,097)	(2,540,820)	20,277
Net Change in Fund Balances	(2,436,861)	(8,003,410)	(1,284,015)	6,719,395
FUND BALANCES				
Beginning of year	2,436,861	8,003,410	36,926,203	28,922,793
End of Year	$ -	$ -	$ 35,642,188	$ 35,642,188

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

Highway				Special Districts			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 6,691,235	$ 6,691,235	$ 6,691,235	$ -	$ 13,310,434	$ 13,310,434	$ 13,311,090	$ 656
-	-	-	-	130,339	130,339	130,386	47
-	-	-	-	-	-	-	-
-	-	-	-	9,510,401	9,510,401	8,856,394	(654,007)
-	-	-	-	1,585,539	1,585,539	1,035,579	(549,960)
125,000	125,000	230,786	105,786	375,800	375,800	580,067	204,267
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,884	1,884	150,000	150,000	190,446	40,446
503,000	503,000	1,131,360	628,360	-	-	15,154	15,154
-	-	-	-	-	-	-	-
79,000	79,000	91,652	12,652	13,500	40,303	31,643	(8,660)
7,398,235	7,398,235	8,146,917	748,682	25,076,013	25,102,816	24,150,759	(952,057)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,205,459	1,205,459	1,189,159	16,300
7,705,207	9,346,662	8,033,530	1,313,132	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	394,337	436,001	223,642	212,359
-	-	-	-	19,152,507	19,814,644	17,442,337	2,372,307
891,985	1,006,525	844,607	161,918	1,983,723	2,045,459	1,723,139	322,320
-	-	-	-	965,000	965,000	965,000	-
-	-	-	-	342,294	342,368	255,111	87,257
8,597,192	10,353,187	8,878,137	1,475,050	24,043,320	24,808,931	21,798,388	3,010,543
(1,198,957)	(2,954,952)	(731,220)	2,223,732	1,032,693	293,885	2,352,371	2,058,486
-	-	5,891	5,891	-	-	-	-
-	-	-	-	-	-	-	-
187,500	729,851	729,851	-	298,272	298,272	298,272	-
-	(140,038)	(140,038)	-	(2,292,372)	(2,516,787)	(2,516,787)	-
187,500	589,813	595,704	5,891	(1,994,100)	(2,218,515)	(2,218,515)	-
(1,011,457)	(2,365,139)	(135,516)	2,229,623	(961,407)	(1,924,630)	133,856	2,058,486
1,011,457	2,365,139	3,425,702	1,060,563	961,407	1,924,630	11,363,887	9,439,257
$ -	$ -	$ 3,290,186	$ 3,290,186	$ -	$ -	$ 11,497,743	$ 11,497,743

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2025

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	$ 1,601,913
Due from other funds	299,664
Total Assets	1,901,577
LIABILITIES	
Current liabilities	
Current portion of claims payable	315,376
Non-current liabilities	
Claims payable, less current portion	2,853,800
Total Liabilities	3,169,176
NET POSITION	
Unrestricted	$ (1,267,599)

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

Town of Yorktown, New York

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2025

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	$ 205,745
Miscellaneous	144,181
Total Operating Revenues	349,926
OPERATING EXPENSES	
Workers' compensation benefits	1,841,833
Judgments and claims	(29,936)
Total Operating Expenses	1,811,897
Income from Operations	(1,461,971)
NON-OPERATING REVENUES	
Interest income	40,894
Change in Net Position	(1,421,077)
NET POSITION	
Beginning of Year	153,478
End of Year	$ (1,267,599)

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

Statement of Cash Flows
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2025

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	$ 205,745
Cash received from insurance carriers, claimants and others	144,181
Cash payments to insurance carriers, claimants and others	(263,372)
Net Cash from Operating Activities	86,554
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	40,894
Net Increase in Cash and Equivalents	127,448
CASH AND EQUIVALENTS	
Beginning of Year	1,474,465
End of Year	$ 1,601,913
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	$ (1,461,971)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Claims payable	1,548,525
Net Cash from Operating Activities	$ 86,554

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

Town of Yorktown, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2025

		Custodial Fund
ASSETS		
Cash and equivalents	$	26,460,511
Real property taxes receivable for other governments		35,309,809
Total Assets	$	61,770,320
LIABILITIES		
Due to other governments	$	61,770,320

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

Town of Yorktown, New York

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

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	$ 172,009,561
DEDUCTIONS	
Payments of real property taxes to other governments	172,009,561
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	-
End of Year	$ -

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Funds are charges to customers for services. Operating expenses for the Internal Service Funds include benefit costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and state aid.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, refuse, park and advanced life-support districts. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

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

Special Revenue Funds:

Community Development Fund - Housing Assistance Payments Program - The Community Development Fund is used to account for grants and entitlements received by the Town from the U.S. Department of Housing and Urban Development.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

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

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for those operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.

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

<u>Note 1 - Summary of Significant Accounting Policies</u> (Continued)

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

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

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

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

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These

Note 1 - Summary of Significant Accounting Policies (Continued)

agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025.

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

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special district taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January

Note 1 - Summary of Significant Accounting Policies (Continued)

31st. The Town guarantees the full payment of the County of Westchester, New York ("County") and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

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

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

Lease Receivable - The Town is a lessor for noncancellable leases of cell towers. The Town has recognized a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of the lease, the Town initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources was initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease-term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The Town monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Investment in Joint Venture - The investment in joint venture represents the Town's 49% equity interest in the Northern Westchester Joint Water Works.

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

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

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

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

Class	Life in Years
Land improvements	20
Buildings and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town reported unearned revenues of $39,124 for payments received in advance in the General Fund. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

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

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

The Town has reported deferred inflows of resources of $147,988 for real property taxes collected in advance and $2,488,347 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund.

The Town has reported lease related deferred inflows of $4,966,074 for lease related receivables in the General Fund. Those amounts are deferred and recognized over the term of the lease as an inflow of resources in the period that the amount becomes available.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amount are detailed in the discussion of the Town’s pension and other postemployment benefit liabilities in Note 3.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences - The liability for compensated absences represents the sick time (“leave”/“leave days”) and salary related payments which have been earned for services previously rendered by employees in accordance with the Town’s various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management’s assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The Town utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, “*Compensated Absences*”.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted or committed.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 13, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

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

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

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

h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts and Public Library funds.

i) Budgets for General, Highway, Special Districts and Public Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose, Debt Service and Proprietary funds since other means control the use of these resources (e.g. grant awards) and sometimes span a period of more than one year.

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

k) Appropriations in the General, Highway, Special Districts and Public Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

Law should be read in order to understand the details and implementations thereof. The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

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

C. Fund Deficits

A deficit balance of $1,367,758 exists in the Workers' Compensation Benefits fund as of December 31, 2025. The Fund deficit is attributable to workers compensation claim increases in the current year. The deficit will be addressed in future periods.

D. Capital Projects Fund Project Deficits

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Expenditures in Excess of Budget

The following General Fund expenditures exceeded their budgetary authorization by the amount indicated:

Employee Benefits		
Workers' compensation benefits	$	16,007

F. New Accounting Pronouncement

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

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

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

Town and County taxes - Current	$	427,476
Taxes receivable - Overdue		4,709,442
		5,136,918
Less - Allowance for uncollectible taxes		(2,531,271)
	$	2,605,647

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of $2,488,347, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Note 3 - Detailed Notes on All Funds (Continued)

B. Interfund Receivables/Payables

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

Fund	Due From	Due To
General	$ 80,436	$ 288,245
Highway	-	25,615
Special Districts	14,196	-
Non-Major Governmental	-	80,436
Internal Service	299,664	-
	$ 394,296	$ 394,296

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

C. Investment in Joint Venture

The Town, together with the Town of Cortlandt, the Town of Somers and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 49%.

The following is an audited summary of financial information included in the financial statements of the joint venture as of and for the year ended December 31, 2025.

Total Assets	$ 28,498,739
Total Deferred Outflows of Resources	2,912,311
Total Liabilities	12,874,666
Total Deferred Inflows of Resources	3,434,572
Total Net Position	15,101,812
Total Operating Revenues	14,629,538
Total Non-Operating Revenues	220,278
Total Expenses	13,191,191

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital Assets, not being depreciated:				
Land	$ 15,309,930	$ -	$ -	$ 15,309,930
Construction-in-progress	22,083,460	4,271,543	-	26,355,003
Total Capital Assets, not being Depreciated	$ 37,393,390	$ 4,271,543	$ -	$ 41,664,933
Capital Assets, being depreciated:				
Land improvements	$ 10,225,650	$ 52,700	$ -	$ 10,278,350
Buildings and improvements	44,180,507	-	-	44,180,507
Infrastructure	112,086,640	2,302,505	-	114,389,145
Machinery and equipment	24,646,073	2,298,689	270,821	26,673,941
Total Capital Assets, being Depreciated	191,138,870	4,653,894	270,821	195,521,943
Less Accumulated Depreciation for				
Land improvements	7,711,762	291,176	-	8,002,938
Buildings and improvements	20,097,805	1,011,538	-	21,109,343
Infrastructure	64,125,113	2,531,697	-	66,656,810
Machinery and equipment	18,126,636	1,326,741	270,821	19,182,556
Total Accumulated Depreciation	110,061,316	5,161,152	270,821	114,951,647
Total Capital Assets, being Depreciated, net	$ 81,077,554	$ (507,258)	$ -	$ 80,570,296
Capital Assets, net	$ 118,470,944	$ 3,764,285	$ -	$ 122,235,229

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

Governmental Activities:	
General Government Support	$ 252,830
Public Safety	358,261
Transportation	1,784,089
Economic Opportunity and Development	29,280
Culture and Recreation	856,461
Home and Community Services	1,880,231
Total Depreciation Expense	$ 5,161,152

Note 3 - Detailed Notes on All Funds (Continued)

E. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2025	New Issues	Redemptions	Balance December 31, 2025
Various Capital Projects	2008	12/04/26	4.11 %	$ 815,500	$ -	$ 127,250	$ 688,250
Water Meter Replacement	2022	10/09/26	4.15	1,448,800	-	181,100	1,267,700
				$ 2,264,300	$ -	$ 308,350	$ 1,955,950

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of $36,351 were recorded in the fund financial statements in the Special District funds. Interest expense of $31,420 was recorded in the government-wide financial statements for governmental activities.

F. Long-Term Liabilities

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

	Balance January 1, 2025	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2025	Due Within One Year
General Obligation Bonds Payable					
Capital Construction	$ 9,940,000	$ -	$ 965,000	$ 8,975,000	$ 845,000
Other Non-Current Liabilities:					
Claims Payable	1,620,651	1,706,055	157,530	3,169,176	315,376
Compensated Absences	3,846,642	334,114 *	-	4,180,756	418,485
Net Pension Liability - ERS	6,037,024	590,469	-	6,627,493	-
Net Pension Liability - PFRS	8,737,071	2,107,016	-	10,844,087	-
Other Postemployment Benefit Liability	81,573,905	5,306,427	-	86,880,332	2,707,264
Total Other Non-Current Liabilities	101,815,293	10,044,081	157,530	111,701,844	3,441,125
Total Long-Term Liabilities	$ 111,755,293	$ 10,044,081	$ 1,122,530	$ 120,676,844	$ 4,286,125

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

Each governmental fund's liability for bonds, compensated absences, net pension liability and other postemployment benefit obligations is liquidated by the respective fund. Claims are paid by the

Note 3 - Detailed Notes on All Funds (Continued)

Internal Service Fund - Workers' Compensation Benefits Fund, which is funded by the various governmental funds.

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2025
Sewer District Improvements	2002	$ 670,800	October, 2031	4.982 - 5.082 %	$ 90,000
Sewer District Improvements	2003	5,644,195	July, 2030	5.5986 - 6.306	905,000
Sewer District Improvements	2004	5,960,770	May, 2033	4.595 - 4.625	2,100,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.682 - 4.789	5,880,000
					$ 8,975,000

Interest expenditures of $218,760 were recorded in the fund financial statements in the Special District Funds.

Interest expense of $213,616 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2025 including interest payments of $2,349,668 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 845,000	$ 421,943	$ 1,266,943
2027	870,000	379,611	1,249,611
2028	895,000	335,563	1,230,563
2029	925,000	290,111	1,215,111
2030	945,000	243,169	1,188,169
2031-2035	3,400,000	627,578	4,027,578
2036-2037	1,095,000	51,693	1,146,693
	$ 8,975,000	$ 2,349,668	$ 11,324,668

The above general obligation bonds are direct borrowings of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average valuation of taxable real property.

Claims Payable

The Internal Service Funds and the government-wide financial statements reflect workers' compensation liabilities and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities for the years ended December 31, 2025 and 2024 is as follows:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	$ 1,075,297	$ 545,354	$ 1,264,996	$ 191,299
Provision for Claims and Claims Adjustment Expenses	3,420,294	(29,936)	163,193	354,055
Claims and Claims Adjustment Expenses Paid	(1,841,833)	-	(352,892)	-
Balance - End of Year	$ 2,653,758	$ 515,418	$ 1,075,297	$ 545,354
Due Within One Year	$ 265,376	$ 50,000	$ 107,530	$ 50,000

Compensated Absences

The collective bargaining agreements with the Superior Police Officers and all other Police Officers provide that an officer with twenty years of service shall be compensated for 75% of accumulated sick leave at current salary rates. Employees with ten years of service and who have attained the age of 55 are entitled to 50% of their accumulated sick leave. All employees are compensated for unused vacation leave upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the ERS and PFRS plan's year ended March 31, 2025 are as follows:

	Tier/Plan	Rate
ERS	3 A14	19.5 %
	4 A15	19.5
	5 A15	16.5
	6 A15	12.7
PFRS	2 384D	36.7 %
	5 384D	31.6
	6 375I	16.8
	6 384D	28.5

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	PFRS
Measurement date	March 31, 2025	March 31, 2025
Net pension liability	$ 6,627,493	$ 10,844,087
Town's proportion of the net pension liability	0.0386539%	0.1784489%
Change in proportion since the prior measurement date	(0.0023472%)	(0.0057677%)

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

For the year ended December 31, 2025, the Town recognized its proportionate share of pension expense in the government-wide financial statements of $1,599,303 for ERS and $2,557,642 for PFRS. Pension expenditures of $2,339,747 for ERS and $2,659,375 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	ERS	PFRS
General Fund	$ 1,283,719	$ 2,659,375
Highway	301,733	-
Special Districts	560,137	-
Library	194,158	-
Total	$ 2,339,747	$ 2,659,375

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

	ERS		PFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,644,988	$ 77,595	$ 3,612,022	$ -	$ 5,257,010	$ 77,595
Changes of assumptions	277,944	-	1,628,363	-	1,906,307	-
Net difference between projected and actual earnings on pension plan investments	519,975	-	416,812	-	936,787	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	466,427	271,653	52,329	532,105	518,756	803,758
Town contributions subsequent to the measurement date	1,812,704	-	2,070,830	-	3,883,534	-
	$ 4,722,038	$ 349,248	$ 7,780,356	$ 532,105	$ 12,502,394	$ 881,353

Note 3 - Detailed Notes on All Funds (Continued)

$1,812,704 and $2,070,830 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2026	$ 1,273,091	$ 2,727,387
2027	1,761,301	1,587,532
2028	(538,401)	(14,067)
2029	64,095	597,737
2030	-	278,832
	$ 2,560,086	$ 5,177,421

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

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

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.54 %
International Equity	14	6.57
Private Equity	15	7.25
Real Estate	12	4.95
Opportunistic Portfolio / ARS portfolio	3	5.25
Credit	4	5.40
Real Assets	4	5.55
Fixed Income	22	2.00
Cash	1	0.25
	100 %	

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

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

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the ERS net pension liability (asset)	$ 19,180,798	$ 6,627,493	$ (3,854,526)
Town's proportionate share of the PFRS net pension liability (asset)	$ 22,865,217	$ 10,844,087	$ 922,373

<u>Note 3 - Detailed Notes on All Funds</u> (Continued)

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

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

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2025 represent the employer contribution for the period of April 1, 2025 through December 31, 2025 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2025 were $1,812,704 and $2,070,830, respectively.

Voluntary Defined Contribution Plan

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

Other Postemployment Benefit Liability ("OPEB")

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

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

Inactive employees currently receiving benefit payments	154
Active employees	237
	391

The Town's total OPEB liability of $86,880,332 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024.

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.43%
Healthcare cost trend rates	7.0% for 2026, decreasing by up to .5% per year to an ultimate rate of 4.5% for 2030 and thereafter
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the PUB-2010 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

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

Total OPEB Liability - Beginning of Year	$ 81,573,905
Service cost	3,178,801
Interest	3,569,480
Changes of benefit terms	-
Differences between expected and actual experience	3,019,302
Changes in assumptions or other inputs	(1,753,892)
Benefit payments	(2,707,264)
Total OPEB Liability - End of Year	$ 86,880,332

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current discount rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB Liability	$ 101,110,600	$ 86,880,332	$ 75,446,861

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

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	$ 74,394,674	$ 86,880,332	$ 102,764,868

For the year ended December 31, 2025, the Town recognized OPEB expense of $3,633,955 in the government-wide financial statements. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 6,960,195	$ 16,705,876
Differences between expected and actual experience	5,939,962	3,939,035
	$ 12,900,157	$ 20,644,911

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

Year Ended December 31,	
2026	$ (3,062,559)
2027	(3,195,806)
2028	(230,210)
2029	(1,467,079)
2030	210,900
	$ (7,744,754)

G. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2025, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Note 3 - Detailed Notes on All Funds (Continued)

General Fund	$ 232,080
Highway Fund	702,170
Special Districts Fund	666,090
Non-Major Governmental Funds	3,878
	$ 1,604,218

H. Revenues and Expenditures

Interfund Transfers

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

	Transfers In				
Transfers Out	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Total
General Fund	$ -	$ 565,851	$ -	$ 3,516,996	$ 4,082,847
Highway Fund	-	-	-	140,038	140,038
Special Districts Fund	1,521,750	164,000	298,272	532,765	2,516,787
	$ 1,521,750	$ 729,851	$ 298,272	$ 4,189,799	$ 6,739,672

Transfers are used to 1) move amounts earmarked in the operating funds, General Fund, Highway Fund and Special Districts Fund, to fulfill commitments for Capital Projects Fund expenditures, and 2) move amounts earmarked, budgeted interfund transfers, in the operating funds to fulfill commitments for General, Highway and Special District funds expenditures..

I. Net Position

The components of net position are detailed below:

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

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the gift or grant.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2025						2024					
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	$ 1,023,084	$ 76,162	$ 144,034	$ -	$ 56,368	$ 1,299,648	$ 873,845	$ 73,249	$ 128,037	$ -	$ 43,642	$ 1,118,773
Leases	396,432	-	-	-	-	396,432	326,009	-	-	-	-	326,009
Total Nonspendable	1,419,516	76,162	144,034	-	56,368	1,696,080	1,199,854	73,249	128,037	-	43,642	1,444,782
Restricted												
Compensated absences	2,531,584	517,395	677,817	-	156,864	3,883,660	2,262,721	508,001	685,037	-	136,306	3,592,065
Debt service	-	-	1,151,093	-	72,858	1,223,951	-	-	1,151,093	-	69,701	1,220,794
Parklands	-	-	-	-	926,652	926,652	-	-	-	-	555,049	555,049
Trusts	-	-	-	-	780,875	780,875	-	-	-	-	762,740	762,740
Community development	-	-	-	-	49,422	49,422	-	-	-	-	-	-
Capital projects	-	-	-	110,002	-	110,002	-	-	-	191,746	-	191,746
PILOT Tax protection	200,000	-	-	-	-	200,000	200,000	-	-	-	-	200,000
Total Restricted	2,731,584	517,395	1,828,910	110,002	1,986,671	7,174,562	2,462,721	508,001	1,836,130	191,746	1,523,796	6,522,394
Committed												
Equipment and software	223,134	-	-	-	-	223,134	449,329	-	-	-	-	449,329
Park improvements	716,035	-	-	-	-	716,035	932,535	-	-	-	-	932,535
Buildings	484,200	-	-	-	-	484,200	750,000	-	-	-	-	750,000
StreetScape Infrastructure	1,982,000	-	-	-	-	1,982,000	2,000,000	-	-	-	-	2,000,000
Contractual	1,000,000	-	-	-	-	1,000,000	1,000,000	-	-	-	-	1,000,000
Medical retirement	750,000	-	-	-	-	750,000	750,000	-	-	-	-	750,000
Total Committed	5,155,369	-	-	-	-	5,155,369	5,881,864	-	-	-	-	5,881,864
Assigned												
Purchases on order												
General government support	135,898	-	-	-	-	135,898	172,620	-	-	-	-	172,620
Public safety	27,599	-	-	-	-	27,599	718,336	-	-	-	-	718,336
Transportation	16,250	702,170	-	-	-	718,420	1,834	1,011,457	-	-	-	1,013,291
Economic opportunity and development	-	-	-	-	-	-	1,780	-	-	-	-	1,780
Culture and recreation	37,411	-	81,323	-	3,878	122,612	108,508	-	41,283	-	14,403	164,194
Home and community services	14,922	-	584,767	-	-	599,689	8,783	-	679,214	-	-	687,997
	232,080	702,170	666,090	-	3,878	1,604,218	1,011,861	1,011,457	720,497	-	14,403	2,758,218
Subsequent year's expenditures	1,500,000	-	213,540	-	120,000	1,833,540	1,425,000	-	235,380	-	100,000	1,760,380
Tax certiorari	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810
Major funds	-	1,994,459	8,645,169	-	-	10,639,628	-	1,832,995	8,443,843	-	-	10,276,838
Non-major funds												
Public Library	-	-	-	-	2,472,736	2,472,736	-	-	-	-	2,609,599	2,609,599
Total Assigned	2,261,890	2,696,629	9,524,799	-	2,596,614	17,079,932	2,966,671	2,844,452	9,399,720	-	2,724,002	17,934,845
Unassigned	24,073,829	-	-	-	-	24,073,829	24,415,093	-	-	-	(32,344)	24,382,749
Total Fund Balances	$ 35,642,188	$ 3,290,186	$ 11,497,743	$ 110,002	$ 4,639,653	$ 55,179,772	$ 36,926,203	$ 3,425,702	$ 11,363,887	$ 191,746	$ 4,259,096	$ 56,166,634

Note 3 - Detailed Notes on All Funds (Continued)

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

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

Compensated absences represent funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and the General Municipal Law of the State of New York. The amount is classified as restricted to indicate that these funds are not “available” for appropriation or expenditure.

Purchases on order are assigned and represent the Town’s intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide Town to complete the transactions.

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

Assigned for tax certiorari is used to segregate a portion of the fund balance of the General Fund to be utilized for potential tax certiorari settlements.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. There are also numerous tort claims pending against the Town. Town management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town. The Town’s claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Internal Service Funds are sufficient to satisfy any payments arising therefrom.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Risk Management

The Town has General Liability coverage with limits of $1,000,000 each occurrence with a $3,000,000 general aggregate with a deductible of $25,000 each occurrence. Additional coverage has been purchased for liability claims with a limit of $5,000,000 each occurrence with a $10,000,000 aggregate. In addition, the Town purchased insurance for Workers Compensation benefits with a maximum limit of $10,000,000 with a self-retention limit per occurrence for police officers of $1,000,000 and for all other Town employees of $1,000,000. The governmental funds are charged premiums by the Internal Service Funds. Accrued liabilities in the Internal Service Funds include provisions for claims reported and claims incurred but not reported.

C. Contingencies

The Town participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Tax Abatements

The Town has real property tax abatement agreements exempt under Real Property Tax Law and General Municipal Law. However, the total value of the tax abatement agreements for the year ended December 31, 2025 were deemed to be immaterial, and, therefore, detail information has been excluded from these financial statements.

Note 6 - Recently Issued GASB Pronouncements

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

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

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

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

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Town of Yorktown, New York

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

	2025	2024	2023
Total OPEB Liability:			
Service cost	$ 3,178,801	$ 3,158,747	$ 2,615,291
Interest	3,569,480	3,192,141	2,940,263
Changes of benefit terms	-	6,780,751	-
Differences between expected and actual experience	3,019,302	(4,054,638)	4,455,010
Changes of assumptions or other inputs	(1,753,892)	(6,013,243)	4,006,693
Benefit payments	(2,707,264)	(2,586,765)	(2,279,795)
Net Change in Total OPEB Liability	5,306,427	476,993	11,737,462
Total OPEB Liability – Beginning of Year	81,573,905	81,096,912	69,359,450
Total OPEB Liability – End of Year	$ 86,880,332	$ 81,573,905	$ 81,096,912
Town's covered employee payroll	$ 26,943,530	$ 25,423,851	$ 21,649,488
Total OPEB liability as a percentage of covered employee payroll	322.45%	320.86%	374.59%
Discount Rate	4.43%	4.28%	4.00%

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*".
(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.
(3) Restated for the implementation of the provisions of GASB Statement No. 75.
(4) The change of assumptions or other inputs includes the discount rate that contributes to the change in the liability.

See Independent auditor's report.

2022	2021	2020	2019	2018	
$ 3,764,679	$ 3,771,599	$ 2,785,711	$ 2,571,260	$ 2,566,792	
2,116,622	1,768,114	2,349,556	2,447,161	2,319,488	
-	-	-	-	-	
(1,037,288)	3,190,323	(1,673,329)	(3,774,747)	(174,181)	
(28,556,560)	(4,577,643)	17,407,024	4,840,736	-	
(2,000,173)	(1,384,684)	(1,273,572)	(1,210,048)	(1,199,167)	
(25,712,720)	2,767,709	19,595,390	4,874,362	3,512,932	
95,072,170	92,304,461	72,709,071	67,834,709	64,321,777	(3)
$ 69,359,450	$ 95,072,170	$ 92,304,461	$ 72,709,071	$ 67,834,709	
$ 23,168,199	$ 22,471,753	$ 21,768,510	$ 22,447,549	$ 21,403,200	
299.37%	423.07%	424.03%	323.91%	324.11%	
4.31%	2.25%	1.93%	3.26%	3.64%	

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

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

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Town's proportion of the net pension liability (asset)	0.0386539%	0.0410011%	0.0418034%	0.0409972%
Town's proportionate share of the net pension liability (asset)	$ 6,627,493	$ 6,037,024	$ 8,964,336	$ (3,351,351)
Town's covered payroll	$ 15,344,859	$ 14,515,349	$ 13,905,437	$ 13,942,101
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.19%	41.59%	64.47%	(24.04%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%
Discount rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	$ 2,416,941	$ 2,108,599	$ 1,558,453	$ 2,067,207
Contributions in relation to the contractually required contribution	(2,416,941)	(2,108,599)	(1,558,453)	(2,067,207)
Contribution excess	$ -	$ -	$ -	$ -
Town's covered payroll	$ 15,979,671	$ 15,141,844	$ 14,293,332	$ 13,943,412
Contributions as a percentage of covered payroll	15.13%	13.93%	10.90%	14.83%

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

See independent auditors' report.

2021 (3)	2020 (2)	2019	2018	2017	2016
0.0392835%	0.0404489%	0.0439678%	0.0418559%	0.0417594%	0.0432489%
$ 39,116	$ 10,711,093	$ 3,115,251	$ 1,350,877	$ 3,923,810	$ 6,941,563
$ 13,147,788	$ 12,779,096	$ 12,742,561	$ 13,360,032	$ 12,154,048	$ 12,132,399
0.30%	83.82%	24.45%	10.11%	32.28%	57.22%
99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

2021	2020	2019	2018	2017	2016
$ 1,815,612	$ 1,805,198	$ 1,915,193	$ 1,787,711	$ 1,830,213	$ 2,319,499
(1,815,612)	(1,805,198)	(1,915,193)	(1,787,711)	(1,830,213)	(2,319,499)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,489,267	$ 13,168,990	$ 13,073,092	$ 12,763,761	$ 12,911,179	$ 11,336,997
13.46%	13.71%	14.65%	14.01%	14.18%	20.46%

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

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

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Town's proportion of the net pension liability	0.1784489%	0.1842166%	0.1902469%	0.1912516%
Town's proportionate share of the net pension liability	$ 10,844,087	$ 8,737,071	$ 10,483,503	$ 1,086,394
Town's covered payroll	$ 8,833,777	$ 8,265,616	$ 7,932,767	$ 7,911,847
Town's proportionate share of the net pension liability as a percentage of its covered payroll	122.76%	105.70%	132.15%	13.73%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%
Discount rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	$ 2,761,107	$ 2,354,179	$ 1,948,780	$ 2,010,887
Contributions in relation to the contractually required contribution	(2,761,107)	(2,354,179)	(1,948,780)	(2,010,887)
Contribution excess	$ -	$ -	$ -	$ -
Town's covered payroll	$ 9,277,823	$ 8,778,631	$ 8,152,327	$ 7,885,347
Contributions as a percentage of covered payroll	29.76%	26.82%	23.90%	25.50%

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

See independent auditors' report.

2021 (3)	2020 (2)	2019	2018	2017	2016
0.1915578%	0.1773810%	0.1815180%	0.1809774%	0.1676127%	0.1728952%
$ 3,325,973	$ 9,480,904	$ 3,044,171	$ 1,829,242	$ 3,474,028	$ 5,119,060
$ 7,713,418	$ 7,544,387	$ 7,023,013	$ 6,946,269	$ 6,758,605	$ 6,309,161
43.12%	125.67%	43.35%	26.33%	51.40%	81.14%
95.79%	84.86%	95.09%	96.93%	93.50%	90.20%
5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

2021	2020	2019	2018	2017	2016
$ 1,648,439	$ 1,499,481	$ 1,501,539	$ 1,555,480	$ 1,444,033	$ 1,427,123
(1,648,439)	(1,499,481)	(1,501,539)	(1,555,480)	(1,444,033)	(1,427,123)
$ -	$ -	$ -	$ -	$ -	$ -
$ 7,627,596	$ 7,836,943	$ 7,492,230	$ 6,990,107	$ 6,705,946	$ 6,189,568
21.61%	19.13%	20.04%	22.25%	21.53%	23.06%

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Town of Yorktown, New York

General Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 35,308,354	$ 36,732,834
Taxes receivable		
Town and County taxes	427,476	479,951
Taxes receivable - Overdue	4,709,442	4,311,973
	5,136,918	4,791,924
Allowance for uncollectible taxes	(2,531,271)	(2,234,409)
	2,605,647	2,557,515
Other receivables		
Accounts	436,178	517,617
Leases	5,362,506	5,765,623
Due from other governments	2,809,329	2,551,476
Due from other funds	80,436	38,769
	8,688,449	8,873,485
Prepaid expenditures	1,023,084	873,845
Total Assets	$ 47,625,534	$ 49,037,679
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 1,001,163	$ 740,005
Deposits payable	2,890,242	2,808,751
Employee payroll deductions	162,163	202,624
Unearned revenue	39,124	12,982
Due to other funds	288,245	288,245
Total Liabilities	4,380,937	4,052,607
Deferred inflows of resources		
Taxes collected in advance	147,988	143,919
Deferred tax revenues	2,488,347	2,475,336
Lease related	4,966,074	5,439,614
Total Deferred Inflows of Resources	7,602,409	8,058,869
Total Liabilities and Deferred Inflows of Resources	11,983,346	12,111,476
Fund balance		
Nonspendable	1,419,516	1,199,854
Restricted	2,731,584	2,462,721
Committed	5,155,369	5,881,864
Assigned	2,261,890	2,966,671
Unassigned	24,073,829	24,415,093
Total Fund Balance	35,642,188	36,926,203
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 47,625,534	$ 49,037,679

See independent auditors' report

Town of Yorktown, New York

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 14,139,231	$ 14,139,231	$ 13,794,012	$ (345,219)
Other tax items	914,111	914,111	804,473	(109,638)
Non-property taxes	9,760,600	9,760,600	11,137,266	1,376,666
Departmental income	4,134,293	4,134,293	4,770,441	636,148
Use of money and property	2,070,700	2,070,700	2,789,526	718,826
Licenses and permits	1,469,500	1,469,500	1,841,633	372,133
Fines and forfeitures	670,000	670,000	923,142	253,142
Sale of property and compensation for loss	25,000	25,000	35,637	10,637
State aid	1,226,777	1,226,777	1,592,276	365,499
Federal aid	85,000	85,000	99,308	14,308
Miscellaneous	105,000	105,000	189,820	84,820
Total Revenues	34,600,212	34,600,212	37,977,534	3,377,322
EXPENDITURES				
Current				
General government support	8,320,269	8,534,082	7,611,914	922,168
Public safety	15,026,751	15,621,579	14,562,580	1,058,999
Transportation	479,584	497,226	479,059	18,167
Economic opportunity and development	980,080	994,466	976,165	18,301
Culture and recreation	4,187,229	4,588,582	4,492,858	95,724
Home and community services	904,182	1,041,396	916,215	125,181
Employee benefits	8,637,228	8,765,194	7,681,938	1,083,256
Total Expenditures	38,535,323	40,042,525	36,720,729	3,321,796
Excess (Deficiency) of Revenues Over Expenditures	(3,935,111)	(5,442,313)	1,256,805	6,699,118
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	-	20,277	20,277
Transfers in	1,521,750	1,521,750	1,521,750	-
Transfers out	(23,500)	(4,082,847)	(4,082,847)	-
Total Other Financing Sources (Uses)	1,498,250	(2,561,097)	(2,540,820)	20,277
Net Change in Fund Balance	(2,436,861)	(8,003,410)	(1,284,015)	6,719,395
FUND BALANCE				
Beginning of Year	2,436,861	8,003,410	36,926,203	28,922,793
End of Year	$ -	$ -	$ 35,642,188	$ 35,642,188

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 13,152,965	$ 13,152,965	$ 12,339,737	$ (813,228)
860,700	860,700	730,054	(130,646)
9,460,600	9,460,600	10,725,506	1,264,906
3,762,681	3,762,681	4,183,068	420,387
1,322,400	1,322,400	3,427,443	2,105,043
1,351,500	1,351,500	2,322,945	971,445
613,000	613,000	808,992	195,992
25,000	25,000	21,274	(3,726)
1,467,500	1,467,500	1,795,051	327,551
80,000	80,000	2,047,895	1,967,895
105,950	200,680	241,587	40,907
32,202,296	32,297,026	38,643,552	6,346,526
8,239,680	9,966,295	8,702,522	1,263,773
14,429,196	15,075,568	13,871,176	1,204,392
502,477	561,044	557,253	3,791
981,999	983,911	944,590	39,321
4,128,443	4,361,179	4,228,171	133,008
844,079	857,565	802,894	54,671
7,551,374	7,623,845	6,886,041	737,804
36,677,248	39,429,407	35,992,647	3,436,760
(4,474,952)	(7,132,381)	2,650,905	9,783,286
-	-	21,492	21,492
1,576,550	1,576,550	1,576,550	-
(23,500)	(3,365,728)	(3,237,800)	127,928
1,553,050	(1,789,178)	(1,639,758)	149,420
(2,921,902)	(8,921,559)	1,011,147	9,932,706
2,921,902	8,921,559	35,915,056	26,993,497
$ -	$ -	$ 36,926,203	$ 36,926,203

Town of Yorktown, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
REAL PROPERTY TAXES	$ 14,139,231	$ 14,139,231	$ 13,794,012	$ (345,219)	$ 12,339,737
OTHER TAX ITEMS					
Interest and penalties on real property taxes	800,000	800,000	715,965	(84,035)	669,161
Payments in lieu of taxes	114,111	114,111	88,508	(25,603)	60,893
	914,111	914,111	804,473	(109,638)	730,054
NON-PROPERTY TAXES					
Non-property tax distribution from County	8,850,000	8,850,000	10,250,013	1,400,013	9,812,146
Franchise fees	910,600	910,600	887,253	(23,347)	913,360
	9,760,600	9,760,600	11,137,266	1,376,666	10,725,506
DEPARTMENTAL INCOME					
Tax collector fees	3,000	3,000	(670)	(3,670)	(51,308)
Town Clerk fees	45,000	45,000	30,705	(14,295)	34,946
Police fees	3,000	3,000	4,067	1,067	28,928
Police alarm fees	3,000	3,000	4,440	1,440	4,800
Parks and recreation fees	1,534,089	1,534,089	1,747,077	212,988	1,487,329
Planning Board fees	125,000	125,000	297,382	172,382	43,484
Zoning fees	10,000	10,000	7,846	(2,154)	6,978
Inspection fees	220,000	220,000	188,938	(31,062)	223,032
Title search fees	26,500	26,500	26,703	203	24,553
General administration fees	50,250	50,250	133,124	82,874	124,099
Advisory Board Architectural Community Appearance (ABACA)	10,000	10,000	18,875	8,875	1,519
Assessors fees	200	200	-	(200)	45
School resources officers	1,581,000	1,581,000	1,740,806	159,806	1,710,561
Services to other governments	318,000	318,000	374,319	56,319	341,744
Driving While Intoxicated Program	5,000	5,000	8,394	3,394	12,640
Section 8 Housing Assistance Fund reimbursement	200,254	200,254	188,435	(11,819)	189,718
	4,134,293	4,134,293	4,770,441	636,148	4,183,068
USE OF MONEY AND PROPERTY					
Earnings on investments	1,375,000	1,375,000	2,100,334	725,334	2,688,709
Rental of real property	510,150	510,150	511,453	1,303	551,212
Special facility charges (YCCC)	185,550	185,550	177,739	(7,811)	187,522
	2,070,700	2,070,700	2,789,526	718,826	3,427,443
LICENSES AND PERMITS					
Wetlands permits	-	-	10,800	10,800	-
Certificates of occupancy	30,000	30,000	146,508	116,508	84,163
Bingo licenses	1,000	1,000	1,782	782	1,082
Dog license fund apportionment	14,500	14,500	13,184	(1,316)	14,219
Building permits	1,328,500	1,328,500	1,618,919	290,419	2,153,028
Plumbing fees	95,000	95,000	49,365	(45,635)	69,803
Non-conforming building permits	500	500	1,075	575	650
	1,469,500	1,469,500	1,841,633	372,133	2,322,945
FINES AND FORFEITURES					
Fines and forfeited bail	670,000	670,000	923,142	253,142	808,992

(Continued)

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	$ -	$ -	$ 550	$ 550	$ 125
Insurance recoveries	25,000	25,000	35,087	10,087	21,149
	25,000	25,000	35,637	10,637	21,274
STATE AID					
Per capita	176,777	176,777	176,777	-	176,777
Mortgage tax	1,000,000	1,000,000	1,297,023	297,023	996,636
Nutrition program	50,000	50,000	63,388	13,388	69,071
Court grant	-	-	2,690	2,690	1,200
Police grant	-	-	-	-	539,000
Other	-	-	52,398	52,398	12,367
	1,226,777	1,226,777	1,592,276	365,499	1,795,051
FEDERAL AID					
Emergency management assistance	-	-	3,985	3,985	-
Nutrition program	80,000	80,000	91,638	11,638	140,320
Bulletproof vest	5,000	5,000	3,685	(1,315)	8,559
Other	-	-	-	-	1,899,016
	85,000	85,000	99,308	14,308	2,047,895
MISCELLANEOUS					
County grants	25,000	25,000	26,201	1,201	19,599
Unclassified	80,000	80,000	163,619	83,619	221,988
	105,000	105,000	189,820	84,820	241,587
TOTAL REVENUES	34,600,212	34,600,212	37,977,534	3,377,322	38,643,552
OTHER FINANCING SOURCES					
Sale of equipment	-	-	20,277	20,277	21,492
Transfers in					
Special Districts Fund					
Consolidated Water District	597,000	597,000	597,000	-	597,000
Sewer Districts	595,000	595,000	595,000	-	650,000
Refuse District	300,000	300,000	300,000	-	300,000
Park Districts	29,750	29,750	29,750	-	29,550
	1,521,750	1,521,750	1,521,750	-	1,576,550
TOTAL OTHER FINANCING SOURCES	1,521,750	1,521,750	1,542,027	20,277	1,598,042
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 36,121,962	$ 36,121,962	$ 39,519,561	$ 3,397,599	$ 40,241,594

See independent auditors' report.

Town of Yorktown, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	$ 333,273	$ 307,914	$ 249,929	$ 57,985	$ 225,236
Town Justice	828,050	855,772	812,926	42,846	755,352
Supervisor	589,905	608,024	595,327	12,697	562,049
Finance	821,530	808,546	714,803	93,743	668,450
Auditor	57,000	58,791	58,791	-	50,292
Receiver of Taxes	304,694	304,694	266,907	37,787	277,374
Purchasing	288,988	461,345	413,514	47,831	536,348
Board of Assessors	589,216	589,216	470,583	118,633	545,643
Town Clerk	591,231	579,628	552,547	27,081	553,624
Town Attorney	452,325	499,627	460,301	39,326	493,748
Engineer	663,973	685,345	547,883	137,462	652,375
Elections	131,050	131,050	129,882	1,168	124,892
Buildings	1,133,285	1,138,282	1,018,144	120,138	1,023,192
Community and cultural center	285,290	247,332	226,420	20,912	579,167
Public safety facilities	281,045	295,764	285,356	10,408	297,536
Central services	49,055	48,935	46,381	2,554	37,962
Central garage	379,359	420,467	405,480	14,987	328,847
Unallocated insurance	400,000	391,448	304,557	86,891	282,331
Municipal association dues	3,000	3,000	2,800	200	2,950
Taxes on Town-owned property	20,000	20,000	13,610	6,390	13,636
Property tax refunds	50,000	41,848	9,258	32,590	633,027
Metropolitan commuter transportation mobility tax	68,000	37,054	26,515	10,539	58,491
	8,320,269	8,534,082	7,611,914	922,168	8,702,522
PUBLIC SAFETY					
Police Department	13,861,692	14,443,703	13,481,024	962,679	12,744,386
Traffic control	48,271	61,301	37,496	23,805	14,473
Jail	500	500	65	435	230
Building inspector	1,116,288	1,116,075	1,043,995	72,080	1,112,087
	15,026,751	15,621,579	14,562,580	1,058,999	13,871,176
TRANSPORTATION					
Superintendent of Highways	317,750	312,750	311,797	953	306,162
Street lighting	161,834	184,476	167,262	17,214	251,091
	479,584	497,226	479,059	18,167	557,253
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Nutrition program	977,580	991,472	973,171	18,301	942,158
Historical celebrations	2,500	2,994	2,994	-	2,432
	980,080	994,466	976,165	18,301	944,590

(Continued)

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

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
CULTURE AND RECREATION					
Recreation administration	$ 746,960	$ 701,091	$ 675,081	$ 26,010	$ 721,800
Playgrounds and recreation centers	2,053,642	2,318,998	2,266,870	52,128	2,133,807
Swimming pool	508,485	600,254	598,558	1,696	542,096
Special events	21,850	17,146	14,310	2,836	18,973
Adult recreation	52,900	79,700	79,236	464	64,620
Youth programs	678,012	745,112	743,402	1,710	641,377
Museum	87,900	87,887	78,248	9,639	72,833
Senior citizens program	37,480	38,394	37,153	1,241	32,665
	4,187,229	4,588,582	4,492,858	95,724	4,228,171
HOME AND COMMUNITY SERVICES					
Zoning Board	3,000	3,000	2,503	497	2,315
Section 8 Housing	164,637	196,969	127,237	69,732	155,141
Planning Board	651,933	745,090	699,517	45,573	590,248
Conservation	1,500	5,225	4,550	675	-
Open space forestry	83,112	91,112	82,408	8,704	55,190
	904,182	1,041,396	916,215	125,181	802,894
EMPLOYEE BENEFITS					
State retirement	1,561,000	1,519,986	1,283,719	236,267	1,095,752
Police retirement	3,165,000	3,145,000	2,659,375	485,625	2,267,745
Social security	1,500,000	1,476,731	1,376,880	99,851	1,301,018
Hospital, medical and dental insurance	2,174,500	2,074,517	1,821,705	252,812	1,682,491
Workers' compensation benefits	153,028	452,388	468,395	(16,007)	514,114
Unemployment benefits	1,000	18,318	18,318	-	-
Other	82,700	78,254	53,546	24,708	24,921
	8,637,228	8,765,194	7,681,938	1,083,256	6,886,041
TOTAL EXPENDITURES	38,535,323	40,042,525	36,720,729	3,321,796	35,992,647
OTHER FINANCING USES					
Transfers out					
Highway Fund	23,500	565,851	565,851	-	1,673,338
Consolidated Water Fund	-	-	-	-	194,326
Sewer Districts	-	-	-	-	289,037
Capital Projects Fund	-	3,516,996	3,516,996	-	927,363
Public Library Fund	-	-	-	-	153,736
TOTAL OTHER FINANCING USES	23,500	4,082,847	4,082,847	-	3,237,800
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 38,558,823	$ 44,125,372	$ 40,803,576	$ 3,321,796	$ 39,230,447

See independent auditors' report.

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Town of Yorktown, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 3,929,522	$ 3,514,777
Accounts receivable	4,457	668
Prepaid expenditures	76,162	73,249
Total Assets	$ 4,010,141	$ 3,588,694
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 694,340	$ 137,377
Due to other funds	25,615	25,615
Total Liabilities	719,955	162,992
Fund balance		
Nonspendable	76,162	73,249
Restricted	517,395	508,001
Assigned	2,696,629	2,844,452
Total Fund Balance	3,290,186	3,425,702
Total Liabilities and Fund Balance	$ 4,010,141	$ 3,588,694

See independent auditors' report.

Town of Yorktown, New York

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 6,691,235	$ 6,691,235	$ 6,691,235	$ -
Use of money and property	125,000	125,000	230,786	105,786
Sale of property and compensation for loss	-	-	1,884	1,884
State aid	503,000	503,000	1,131,360	628,360
Miscellaneous	79,000	79,000	91,652	12,652
Total Revenues	7,398,235	7,398,235	8,146,917	748,682
EXPENDITURES				
Current				
Transportation	7,705,207	9,346,662	8,033,530	1,313,132
Employee benefits	891,985	1,006,525	844,607	161,918
Total Expenditures	8,597,192	10,353,187	8,878,137	1,475,050
Deficiency of Revenues Over Expenditures	(1,198,957)	(2,954,952)	(731,220)	2,223,732
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	5,891	5,891
Transfers in	187,500	729,851	729,851	-
Transfers out	-	(140,038)	(140,038)	-
Total Other Financing Sources	187,500	589,813	595,704	5,891
Net Change in Fund Balance	(1,011,457)	(2,365,139)	(135,516)	2,229,623
FUND BALANCE				
Beginning of Year	1,011,457	2,365,139	3,425,702	1,060,563
End of Year	$ -	$ -	$ 3,290,186	$ 3,290,186

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 6,411,345	$ 6,411,345	$ 6,411,345	$ -
100,000	100,000	279,732	179,732
-	-	96,061	96,061
503,000	503,000	879,233	376,233
64,000	64,000	129,170	65,170
7,078,345	7,078,345	7,795,541	717,196
7,119,719	9,759,883	7,975,301	1,784,582
817,075	894,640	700,806	193,834
7,936,794	10,654,523	8,676,107	1,978,416
(858,449)	(3,576,178)	(880,566)	2,695,612
-	-	9,710	9,710
187,500	1,673,705	1,837,338	163,633
-	(750,000)	(750,000)	-
187,500	923,705	1,097,048	173,343
(670,949)	(2,652,473)	216,482	2,868,955
670,949	2,652,473	3,209,220	556,747
$ -	$ -	$ 3,425,702	$ 3,425,702

Town of Yorktown, New York

Special Districts Fund
Combining Balance Sheet - Sub Funds
December 31, 2025
(With Comparative Totals for 2024)

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	$ 3,985,009	$ 3,943,403	$ 2,014,803
Accounts receivable	1,203,883	85,034	-
Due from other funds	13,596	600	-
Prepaid expenditures	77,412	41,255	25,367
Total Assets	$ 5,279,900	$ 4,070,292	$ 2,040,170
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 594,358	$ 296,403	$ 417,903
Due to other funds	-	-	-
Total Liabilities	594,358	296,403	417,903
Fund balances			
Nonspendable	77,412	41,255	25,367
Restricted	702,735	942,315	156,382
Assigned	3,905,395	2,790,319	1,440,518
Total Fund Balances	4,685,542	3,773,889	1,622,267
Total Liabilities and Fund Balances	$ 5,279,900	$ 4,070,292	$ 2,040,170

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals 2025	Totals 2024
$ 1,191,420	$ 242,018	$ 11,376,653	$ 9,841,065
-	-	1,288,917	2,627,997
-	-	14,196	14,196
-	-	144,034	128,037
$ 1,191,420	$ 242,018	$ 12,823,800	$ 12,611,295
$ 13,718	$ 3,675	$ 1,326,057	$ 1,247,408
-	-	-	-
13,718	3,675	1,326,057	1,247,408
-	-	144,034	128,037
27,478	-	1,828,910	1,836,130
1,150,224	238,343	9,524,799	9,399,720
1,177,702	238,343	11,497,743	11,363,887
$ 1,191,420	$ 242,018	$ 12,823,800	$ 12,611,295

Town of Yorktown, New York

Special Districts Fund
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub Funds
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	$ 1,890,783	$ 3,390,320	$ 6,622,838
Other tax items	-	102,836	27,503
Departmental income	8,467,263	336,998	52,133
Intergovernmental charges	-	1,035,579	-
Use of money and property	185,528	176,673	142,926
Sale of property and compensation for loss	108,951	-	41,000
State aid	-	-	-
Miscellaneous	9,231	14,983	7,429
Total Revenues	10,661,756	5,057,389	6,893,829
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	8,286,559	3,045,646	6,110,132
Employee benefits	1,026,887	374,091	318,722
Debt service			
Principal			
Serial bonds	-	965,000	-
Interest			
Serial bonds	67,906	150,854	-
Bond anticipation notes	-	36,351	-
Total Expenditures	9,381,352	4,571,942	6,428,854
Excess of Revenues Over Expenditures	1,280,404	485,447	464,975
OTHER FINANCING SOURCES (USES)			
Transfers in	-	298,272	-
Transfers out	(1,084,765)	(1,032,270)	(370,002)
Total Other Financing Uses	(1,084,765)	(733,998)	(370,002)
Net Change in Fund Balances	195,639	(248,551)	94,973
FUND BALANCES			
Beginning of Year	4,489,903	4,022,440	1,527,294
End of Year	$ 4,685,542	$ 3,773,889	$ 1,622,267

See independent auditors' report.

Combined Park Districts	Advanced Life-Support District	Totals 2025	Totals 2024
$ 284,190	$ 1,122,959	$ 13,311,090	$ 12,323,602
-	47	130,386	129,888
-	-	8,856,394	9,574,559
-	-	1,035,579	858,837
53,384	21,556	580,067	845,216
-	40,495	190,446	166,227
15,154	-	15,154	6,206
-	-	31,643	36,629
352,728	1,185,057	24,150,759	23,941,164
-	1,189,159	1,189,159	793,808
223,642	-	223,642	208,426
-	-	17,442,337	17,592,635
3,439	-	1,723,139	1,574,927
-	-	965,000	935,000
-	-	218,760	259,828
-	-	36,351	45,470
227,081	1,189,159	21,798,388	21,410,094
125,647	(4,102)	2,352,371	2,531,070
-	-	298,272	1,043,045
(29,750)	-	(2,516,787)	(2,666,900)
(29,750)	-	(2,218,515)	(1,623,855)
95,897	(4,102)	133,856	907,215
1,081,805	242,445	11,363,887	10,456,672
$ 1,177,702	$ 238,343	$ 11,497,743	$ 11,363,887

Town of Yorktown, New York

Special Districts Fund - Water Districts
Combining Balance Sheet - Sub Funds
December 31, 2025
(With Comparative Totals for 2024)

	Consolidated Water	Kitchawan Water	Totals 2025	Totals 2024
ASSETS				
Cash and equivalents	$ 3,825,889	$ 159,120	$ 3,985,009	$ 3,292,657
Accounts receivable	1,197,309	6,574	1,203,883	1,774,228
Due from other funds	13,596	-	13,596	13,596
Prepaid expenditures	77,412	-	77,412	60,081
Total Assets	$ 5,114,206	$ 165,694	$ 5,279,900	$ 5,140,562
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 585,425	$ 8,933	$ 594,358	$ 650,659
Fund balances				
Nonspendable	77,412	-	77,412	60,081
Restricted	702,735	-	702,735	689,105
Assigned	3,748,634	156,761	3,905,395	3,740,717
Total Fund Balances	4,528,781	156,761	4,685,542	4,489,903
Total Liabilities and Fund Balances	$ 5,114,206	$ 165,694	$ 5,279,900	$ 5,140,562

See independent auditors' report.

Special Districts Fund - Water Districts
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Sub Funds
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Consolidated Water	Kitchawan Water	Totals 2025	Totals 2024
REVENUES				
Real property taxes	$ 1,884,433	$ 6,350	$ 1,890,783	$ 1,651,050
Departmental income	8,435,266	31,997	8,467,263	8,668,141
Use of money and property	178,269	7,259	185,528	256,320
Sale of property and compensation for loss	108,951	-	108,951	72,721
Miscellaneous	9,231	-	9,231	18,620
Total Revenues	10,616,150	45,606	10,661,756	10,666,852
EXPENDITURES				
Current				
Home and community services	8,246,873	39,686	8,286,559	8,529,145
Employee benefits	1,026,887	-	1,026,887	956,449
Debt service				
Interest				
Serial bonds	67,906	-	67,906	79,805
Total Expenditures	9,341,666	39,686	9,381,352	9,565,399
Excess of Revenues Over Expenditures	1,274,484	5,920	1,280,404	1,101,453
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	198,808
Transfers out	(1,084,765)	-	(1,084,765)	(923,150)
Total Other Financing Uses	(1,084,765)	-	(1,084,765)	(724,342)
Net Change in Fund Balances	189,719	5,920	195,639	377,111
FUND BALANCES				
Beginning of Year	4,339,062	150,841	4,489,903	4,112,792
End of Year	$ 4,528,781	$ 156,761	$ 4,685,542	$ 4,489,903

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
Combining Balance Sheet - Sub Funds
December 31, 2025
(With Comparative Totals for 2024)

	Yorktown	Osceola	Hunter Brook	Clover Road
ASSETS				
Cash and equivalents	$ 2,545,491	$ 162,182	$ 120,867	$ 88,922
Accounts receivable	85,034	-	-	-
Due from other funds	600	-	-	-
Prepaid expenditures	41,255	-	-	-
Total Assets	$ 2,672,380	$ 162,182	$ 120,867	$ 88,922
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 230,447	$ 2,375	$ 49,182	$ -
Due to other funds	-	-	-	-
Total Liabilities	230,447	2,375	49,182	-
Fund balances				
Nonspendable	41,255	-	-	-
Restricted	807,256	-	-	-
Assigned	1,593,422	159,807	71,685	88,922
Total Fund Balances	2,441,933	159,807	71,685	88,922
Total Liabilities and Fund Balances	$ 2,672,380	$ 162,182	$ 120,867	$ 88,922

See independent auditors' report.

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
$ 65,855	$ 132,449	$ 66,469	$ 191,764	$ 168,341	$ 196,889
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 65,855	$ 132,449	$ 66,469	$ 191,764	$ 168,341	$ 196,889
$ 2,920	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
2,920	-	-	-	-	-
-	-	-	-	-	-
-	10,906	-	64,633	59,520	-
62,935	121,543	66,469	127,131	108,821	196,889
62,935	132,449	66,469	191,764	168,341	196,889
$ 65,855	$ 132,449	$ 66,469	$ 191,764	$ 168,341	$ 196,889

(Continued)

Special Districts Fund - Sewer Districts
Combining Balance Sheet - Sub Funds (Continued)
December 31, 2025
(With Comparative Totals for 2024)

	Gomer Street	Hunterbrook 202 Extension	Totals 2025	Totals 2024
ASSETS				
Cash and equivalents	$ 47,740	$ 156,434	$ 3,943,403	$ 3,595,768
Accounts receivable	-	-	85,034	589,295
Due from other funds	-	-	600	600
Prepaid expenditures	-	-	41,255	40,442
Total Assets	$ 47,740	$ 156,434	$ 4,070,292	$ 4,226,105
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 11,479	$ 296,403	$ 203,665
Due to other funds	-		-	-
Total Liabilities	-	11,479	296,403	203,665
Fund balances				
Nonspendable	-	-	41,255	40,442
Restricted	-	-	942,315	948,725
Assigned	47,740	144,955	2,790,319	3,033,273
Total Fund Balances	47,740	144,955	3,773,889	4,022,440
Total Liabilities and Fund Balances	$ 47,740	$ 156,434	$ 4,070,292	$ 4,226,105

See independent auditors' report.

Special Districts Fund - Sewer Districts
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub Funds
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	$ 2,213,103	$ 153,567	$ 393,670	$ 7,043
Other tax items	102,836	-	-	-
Departmental income	336,998	-	-	-
Intergovernmental charges	851,803	-	-	-
Use of money and property	110,743	6,746	9,401	3,832
Miscellaneous	-	-	4,752	-
Total Revenues	3,615,483	160,313	407,823	10,875
EXPENDITURES				
Current				
Home and community services	2,701,015	46,609	239,581	-
Employee benefits	374,091	-	-	-
Debt service				
Principal				
Serial bonds	469,450	-	160,000	-
Interest				
Serial bonds	120,983	-	11,623	-
Bond anticipation notes	-	-	-	-
Total Expenditures	3,665,539	46,609	411,204	-
Excess (Deficiency) of Revenues Over Expenditures	(50,056)	113,704	(3,381)	10,875
OTHER FINANCING SOURCES (USES)				
Transfers in	298,272	-	-	-
Transfers out	(606,750)	(93,867)	(73,851)	(9,193)
Total Other Financing Uses	(308,478)	(93,867)	(73,851)	(9,193)
Net Change in Fund Balances	(358,534)	19,837	(77,232)	1,682
FUND BALANCES				
Beginning of Year	2,800,467	139,970	148,917	87,240
End of Year	$ 2,441,933	$ 159,807	$ 71,685	$ 88,922

See independent auditors' report.

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
$ 244,257	$ 70,511	$ 7,099	$ 72,676	$ 102,554	$ 50,014
-	-	-	-	-	-
-	-	-	-	-	-
66,364	117,412	-	-	-	-
2,230	3,000	2,865	8,397	9,441	9,749
2,748	1,415	-	6,068	-	-
315,599	192,338	9,964	87,141	111,995	59,763
9,710	18,578	-	1,296	614	449
-	-	-	-	-	-
216,140	62,600	-	56,810	-	-
12,102	624	-	5,522	-	-
-	-	-	-	17,741	12,258
237,952	81,802	-	63,628	18,355	12,707
77,647	110,536	9,964	23,513	93,640	47,056
-	-	-	-	-	-
(23,286)	(22,128)	(8,127)	(9,764)	(74,764)	(41,264)
(23,286)	(22,128)	(8,127)	(9,764)	(74,764)	(41,264)
54,361	88,408	1,837	13,749	18,876	5,792
8,574	44,041	64,632	178,015	149,465	191,097
$ 62,935	$ 132,449	$ 66,469	$ 191,764	$ 168,341	$ 196,889

(Continued)

Special Districts Fund - Sewer Districts
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub Funds (Continued)
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Gomer Street	Hunterbrook 202 Extension	Totals 2025	Totals 2024
REVENUES				
Real property taxes	$ 51,167	$ 24,659	$ 3,390,320	$ 3,152,476
Other tax items	-	-	102,836	102,783
Departmental income	-	-	336,998	604,979
Intergovernmental charges	-	-	1,035,579	858,837
Use of money and property	3,035	7,234	176,673	298,761
Miscellaneous	-	-	14,983	9,383
Total Revenues	54,202	31,893	5,057,389	5,027,219
EXPENDITURES				
Current				
Home and community services	206	27,588	3,045,646	3,054,028
Employee benefits	-	-	374,091	346,891
Debt service				
Principal				
Serial bonds	-	-	965,000	935,000
Interest				
Serial bonds	-	-	150,854	180,023
Bond anticipation notes	6,352	-	36,351	45,470
Total Expenditures	6,558	27,588	4,571,942	4,561,412
Excess (Deficiency) of Revenues Over Expenditures	47,644	4,305	485,447	465,807
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	298,272	830,814
Transfers out	(45,367)	(23,909)	(1,032,270)	(1,344,200)
Total Other Financing Uses	(45,367)	(23,909)	(733,998)	(513,386)
Net Change in Fund Balances	2,277	(19,604)	(248,551)	(47,579)
FUND BALANCES				
Beginning of Year	45,463	164,559	4,022,440	4,070,019
End of Year	$ 47,740	$ 144,955	$ 3,773,889	$ 4,022,440

See independent auditors' report.

Special Districts Fund - Refuse District
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 2,014,803	$ 1,627,873
Accounts receivable	-	250,000
Prepaid expenditures	25,367	27,514
Total Assets	$ 2,040,170	$ 1,905,387
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 417,903	$ 378,093
Fund balances		
Nonspendable	25,367	27,514
Restricted	156,382	170,822
Assigned	1,440,518	1,328,958
Total Fund Balances	1,622,267	1,527,294
Total Liabilities and Fund Balances	$ 2,040,170	$ 1,905,387

See independent auditors' report.

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Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Real property taxes	$ 6,622,838	$ 6,475,142
Other tax items	27,503	27,014
Departmental income	52,133	301,439
Use of money and property	142,926	201,805
Sale of property and compensation for loss	41,000	-
Miscellaneous	7,429	8,478
Total Revenues	6,893,829	7,013,878
EXPENDITURES		
Current		
Home and community services	6,110,132	6,009,462
Employee benefits	318,722	269,065
Total Expenditures	6,428,854	6,278,527
Excess of Revenues Over Expenditures	464,975	735,351
OTHER FINANCING SOURCES (USES)		
Transfers in	-	13,423
Transfers out	(370,002)	(370,000)
Total Other Financing Uses	(370,002)	(356,577)
Net Change in Fund Balance	94,973	378,774
FUND BALANCE		
Beginning of Year	1,527,294	1,148,520
End of Year	$ 1,622,267	$ 1,527,294

See independent auditors' report.

Town of Yorktown, New York

Special Districts Fund - Park Districts
Combining Balance Sheet - Sub Funds
December 31, 2025
(With Comparative Totals for 2024)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve-ment	Amazon Beach
ASSETS				
Cash and equivalents	$ 287,024	$ 134,583	$ 196,458	$ 36,010
LIABILITIES AND FUND BALANCES				
Liabilites				
Accounts payable	$ -	$ 450	$ 5,939	$ 44
Fund balances				
Restricted	-	-	-	-
Assigned	287,024	134,133	190,519	35,966
Total Fund Balances	287,024	134,133	190,519	35,966
Total Liabilities and Fund Balances	$ 287,024	$ 134,583	$ 196,458	$ 36,010

See independent auditors' report.

Shrub Oak Community Associa-tion	Mohegan Highlands Property Associa-tion	Bethel Acres	Open Space	Totals 2025	Totals 2024
$ 323,332	$ 39,250	$ 289	$ 174,474	$ 1,191,420	$ 1,091,896
$ 5,200	$ 2,085	$ -	$ -	$ 13,718	$ 10,091
27,478	-	-	-	27,478	27,478
290,654	37,165	289	174,474	1,150,224	1,054,327
318,132	37,165	289	174,474	1,177,702	1,081,805
$ 323,332	$ 39,250	$ 289	$ 174,474	$ 1,191,420	$ 1,091,896

Special Districts Fund - Park Districts
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Sub Funds
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve-ment	Amazon Beach
REVENUES				
Real property taxes	$ 57,840	$ 17,500	$ 94,100	$ 11,700
Use of money and property	12,829	5,866	9,124	1,790
State aid	-	-	15,154	-
Miscellaneous	-	-	-	-
Total Revenues	70,669	23,366	118,378	13,490
EXPENDITURES				
Current				
Culture and recreation	42,457	9,451	89,406	13,283
Employee benefits	2,047	-	622	-
Total Expenditures	44,504	9,451	90,028	13,283
Excess of Revenues Over Expenditures	26,165	13,915	28,350	207
OTHER FINANCING USES				
Transfers out	(5,500)	(2,750)	(7,000)	(3,500)
Net Change in Fund Balances	20,665	11,165	21,350	(3,293)
FUND BALANCES				
Beginning of year	266,359	122,968	169,169	39,259
End of Year	$ 287,024	$ 134,133	$ 190,519	$ 35,966

See independent auditors' report.

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals 2025	Totals 2024
$ 64,250	$ 35,825	$ 2,975	$ -	$ 284,190	$ 279,189
14,340	1,863	11	7,561	53,384	66,289
-	-	-	-	15,154	6,206
-	-	-	-	-	148
78,590	37,688	2,986	7,561	352,728	351,832
41,642	27,403	-	-	223,642	208,426
-	770	-	-	3,439	2,522
41,642	28,173	-	-	227,081	210,948
36,948	9,515	2,986	7,561	125,647	140,884
(5,000)	(3,000)	(3,000)	-	(29,750)	(29,550)
31,948	6,515	(14)	7,561	95,897	111,334
286,184	30,650	303	166,913	1,081,805	970,471
$ 318,132	$ 37,165	$ 289	$ 174,474	$ 1,177,702	$ 1,081,805

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 242,018	$ 232,871
Accounts receivable	-	14,474
Total Assets	$ 242,018	$ 247,345
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 3,675	$ 4,900
Fund balance		
Assigned	238,343	242,445
Total Liabilities and Fund Balance	$ 242,018	$ 247,345

See independent auditors' report.

Special Districts Fund - Advanced Life Support District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Real property taxes	$ 1,122,959	$ 765,745
Other tax items	47	91
Use of money and property	21,556	22,041
Sale of property and compensation for loss	40,495	93,506
Total Revenues	1,185,057	881,383
EXPENDITURES		
Current		
Health	1,189,159	793,808
Excess of Revenues Over Expenditures	(4,102)	87,575
FUND BALANCE		
Beginning of Year	242,445	154,870
End of Year	$ 238,343	$ 242,445

See independent auditors' report.

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 4,540,736	$ 2,588,591
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 2,474,784	$ 132,545
Bond anticipation notes payable	1,955,950	2,264,300
Total Liabilities	4,430,734	2,396,845
Fund balance		
Restricted	110,002	191,746
Total Liabilities and Fund Balance	$ 4,540,736	$ 2,588,591

See independent auditors' report.

Town of Yorktown, New York

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

	2025	2024
REVENUES		
Miscellaneous	$ -	$ -
EXPENDITURES		
Capital outlay	4,271,543	1,337,671
Deficiency of Revenues Over Expenditures	(4,271,543)	(1,337,671)
OTHER FINANCING SOURCES (USES)		
Transfers in	4,189,799	2,048,513
Transfers out	-	(4,482)
Total Other Financing Sources	4,189,799	2,044,031
Net Change in Fund Balance	(81,744)	706,360
FUND BALANCE (DEFICIT)		
Beginning of Year	191,746	(514,614)
End of Year	$ 110,002	$ 191,746

See independent auditors' report.

Capital Projects Fund
Project-Length Schedule
Inception Of Project Through December 31, 2025

PROJECT	Sub-Fund	Authorization	Expenditures and Transfers
Granite Knolls Sports and Recreation Complex	HA	$ 6,673,750	$ 6,627,750
Hunterbrook Rt. 202 Extension	HB	3,000,000	1,506,458
Improve/Construct Roads	HC	2,482,529	2,255,395
Hill Boulevard Bridge Replacement	HD	2,996,713	2,996,713
Veterans Road Culvert Replacement	HE	1,131,610	1,131,610
Old Crompound Culvert	HE2	1,692,000	1,632,123
Gomer Street Sewer	HG	610,000	601,470
Water Department Fluoride Project	HI	1,172,482	1,155,359
Library Bathroom Renovation	HH	244,658	130,658
French Hill Tank	HJ	671,250	637,717
Improve Sparkle Lake Dam	HK	348,843	253,936
Water Meter Replacement	HM	2,261,224	2,254,448
Water Cement Reline	HN	2,256,803	2,246,770
Pump Station Upgrades	HP	3,044,781	3,039,328
Highway Garage Improvements	HR	1,148,636	1,057,299
Rec Pool Renovations	HR2	600,000	329,347
Turf Replacements	HR3	726,000	725,000
Town Hall Entrance Renovation	HS	439,000	348,999
Improve Various Town Buildings	HV	4,506,248	4,187,225
NWJWW Tank Replacement	HU	1,100,000	1,100,000
Highway Heavy Equipment and Machinery	HW	820,000	819,998
Various Items	HY	510,500	478,285
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Suncrest Sewer	JH	750,000	750,000
Underhill Avenue & Rte. 118 Intersection Improvements	JI	1,440,940	823,594
Railroad Park Rehabilitation	JJ	573,777	559,350
Streetscape Infrastructure	JU	18,000	10,000
Overlook Sewer	JW	1,600,000	1,400,000
Totals		$ 45,819,744	$ 42,056,722

See independent auditors' report.

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2025	Bond Anticipation Notes Outstanding at December 31, 2025
$ 46,000	$ 6,688,250	$ 60,500	$ -
1,493,542	1,506,459	1	-
227,134	2,266,850	11,455	-
-	2,996,713	-	-
-	1,131,610	-	-
59,877	1,692,000	59,877	-
8,530	489,720	(111,750)	111,750
17,123	1,172,482	17,123	-
114,000	130,658	-	-
33,533	671,250	33,533	-
94,907	270,000	16,064	-
6,776	993,524	(1,260,924)	1,267,700
10,033	2,246,770	-	-
5,453	2,944,780	(94,548)	-
91,337	1,288,674	231,375	-
270,653	972,043	642,696	-
1,000	726,000	1,000	-
90,001	439,000	90,001	-
319,023	4,503,224	315,999	-
-	1,100,000	-	-
2	820,000	2	-
32,215	510,500	32,215	-
2,110	3,000,000	2,110	-
-	506,500	(243,500)	243,500
617,346	1,440,940	617,346	-
14,427	573,777	14,427	-
8,000	18,000	8,000	-
200,000	1,067,000	(333,000)	333,000
$ 3,763,022	$ 42,166,724	$ 110,002	$ 1,955,950

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

	Community Development	Public Library	Special Purpose
ASSETS			
Cash and equivalents	$ 134,776	$ 2,807,671	$ 1,708,669
Prepaid expenditures	5,134	51,234	-
Rent receivable	-	-	-
Total Assets	$ 139,910	$ 2,858,905	$ 1,708,669
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 4,918	$ 54,193	$ 1,142
Due to other funds	80,436	-	-
Total Liabilities	85,354	54,193	1,142
Fund balances (Deficit)			
Nonspendable	5,134	51,234	-
Restricted	49,422	156,864	1,707,527
Assigned	-	2,596,614	-
Unassigned	-	-	-
Total Fund Balances (Deficit)	54,556	2,804,712	1,707,527
Total Liabilities and Fund Balances	$ 139,910	$ 2,858,905	$ 1,708,669

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2025	2024
$ 72,858	$ 4,723,974	$ 4,303,501
-	56,368	43,642
-	-	1,095
$ 72,858	$ 4,780,342	$ 4,348,238
$ -	$ 60,253	$ 50,373
-	80,436	38,769
-	140,689	89,142
-	56,368	43,642
72,858	1,986,671	1,523,796
-	2,596,614	2,724,002
-	-	(32,344)
72,858	4,639,653	4,259,096
$ 72,858	$ 4,780,342	$ 4,348,238

Town of Yorktown, New York

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

	Community Development	Public Library	Special Purpose
REVENUES			
Real property taxes	$ -	$ 2,385,648	$ -
Departmental income	-	17,418	-
Intergovernmental charges	-	456,530	-
Use of money and property	571	158,416	29,832
State aid	-	11,527	-
Federal aid	2,497,463	-	-
Miscellaneous	29,042	871	431,969
Total Revenues	2,527,076	3,030,410	461,801
EXPENDITURES			
Current			
Economic opportunity and development	2,443,361	-	-
Culture and recreation	-	2,690,449	72,063
Employee benefits	-	436,014	-
Total Expenditures	2,443,361	3,126,463	72,063
Excess (Deficiency) of Revenues Over Expenditures	83,715	(96,053)	389,738
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Net Change in Fund Balance	83,715	(96,053)	389,738
FUND BALANCES (DEFICIT)			
Beginning of Year	(29,159)	2,900,765	1,317,789
End of Year	$ 54,556	$ 2,804,712	$ 1,707,527

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2025	2024
$ -	$ 2,385,648	$ 2,200,890
-	17,418	16,749
-	456,530	434,412
3,157	191,976	246,630
-	11,527	227,125
-	2,497,463	2,307,922
-	461,882	307,348
3,157	6,022,444	5,741,076
-	2,443,361	2,333,064
-	2,762,512	2,509,594
-	436,014	390,614
-	5,641,887	5,233,272
3,157	380,557	507,804
-	-	153,736
3,157	380,557	661,540
69,701	4,259,096	3,597,556
$ 72,858	$ 4,639,653	$ 4,259,096

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 134,776	$ 10,658
Prepaid expenditures	5,134	3,185
Rent receivable	-	1,095
Total Assets	$ 139,910	$ 14,938
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 4,918	$ 5,328
Due to other funds	80,436	38,769
Total Liabilities	85,354	44,097
Fund balance (Deficit)		
Nonspendable	5,134	3,185
Restricted	49,422	-
Unassigned	-	(32,344)
Total Fund Balance (Deficit)	54,556	(29,159)
Total Liabilities and Fund Balance	$ 139,910	$ 14,938

See independent auditors' report.

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Use of money and property	$ 571	$ 545
Federal aid	2,497,463	2,307,922
Miscellaneous	29,042	3,634
Total Revenues	2,527,076	2,312,101
EXPENDITURES		
Current		
Economic opportunity and development	2,443,361	2,333,064
Total Expenditures	2,443,361	2,333,064
Excess (Deficiency) of Revenues Over Expenditures	83,715	(20,963)
FUND BALANCE (DEFICIT)		
Beginning of Year	(29,159)	(8,196)
End of Year	$ 54,556	$ (29,159)

See independent auditors' report.

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Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 2,807,671	$ 2,905,225
Prepaid expenditures	51,234	40,457
Total Assets	$ 2,858,905	$ 2,945,682
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 54,193	$ 44,917
Fund balance		
Nonspendable	51,234	40,457
Restricted	156,864	136,306
Assigned	2,596,614	2,724,002
Total Fund Balance	2,804,712	2,900,765
Total Liabilities and Fund Balance	$ 2,858,905	$ 2,945,682

See independent auditors' report.

Town of Yorktown, New York

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 2,385,648	$ 2,385,648	$ 2,385,648	$ -
Departmental income	17,000	17,000	17,418	418
Intergovernmental charges	434,000	434,000	456,530	22,530
Use of money and property	100,000	100,000	158,416	58,416
State aid	10,000	10,000	11,527	1,527
Miscellaneous	1,000	1,000	871	(129)
Total Revenues	2,947,648	2,947,648	3,030,410	82,762
EXPENDITURES				
Current				
Culture and recreation	2,532,753	3,166,393	2,690,449	475,944
Employee benefits	529,298	536,203	436,014	100,189
Total Expenditures	3,062,051	3,702,596	3,126,463	576,133
Excess (Deficiency) of Revenues Over Expenditures	(114,403)	(754,948)	(96,053)	658,895
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Net Change in Fund Balance	(114,403)	(754,948)	(96,053)	658,895
FUND BALANCE				
Beginning of Year	114,403	754,948	2,900,765	2,145,817
End of Year	$ -	$ -	$ 2,804,712	$ 2,804,712

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 2,200,890	$ 2,200,890	$ 2,200,890	$ -
18,500	18,500	16,749	(1,751)
403,225	403,225	434,412	31,187
60,000	60,000	200,398	140,398
10,000	10,000	227,125	217,125
1,000	1,000	2,813	1,813
2,693,615	2,693,615	3,082,387	388,772
2,355,557	2,724,513	2,478,128	246,385
468,670	463,670	390,614	73,056
2,824,227	3,188,183	2,868,742	319,441
(130,612)	(494,568)	213,645	708,213
-	-	153,736	153,736
(130,612)	(494,568)	367,381	861,949
130,612	494,568	2,533,384	2,038,816
$ -	$ -	$ 2,900,765	$ 2,900,765

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 1,708,669	$ 1,317,917
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 1,142	$ 128
Fund balance		
Restricted	1,707,527	1,317,789
Total Liabilities and Fund Balance	$ 1,708,669	$ 1,317,917

See independent auditors' report.

Town of Yorktown, New York

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

	2025	2024
REVENUES		
Use of money and property	$ 29,832	$ 41,658
Miscellaneous	431,969	300,901
Total Revenues	461,801	342,559
EXPENDITURES		
Current		
Culture and recreation	72,063	31,466
Excess of Revenues Over Expenditures	389,738	311,093
FUND BALANCE		
Beginning of Year	1,317,789	1,006,696
End of Year	$ 1,707,527	$ 1,317,789

See independent auditors' report.

Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	2025	2024
ASSETS		
Cash and equivalents	$ 72,858	$ 69,701
FUND BALANCE		
Restricted	$ 72,858	$ 69,701

See independent auditors' report.

Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended December 31,

	2025	2024
REVENUES		
Use of money and property	$ 3,157	$ 4,029
EXPENDITURES	-	-
Excess of Revenues Over Expenditures	3,157	4,029
FUND BALANCE		
Beginning of Year	69,701	65,672
End of Year	$ 72,858	$ 69,701

See independent auditors' report.

Proprietary Funds - Internal Service Funds
Combining Statement of Net Position
December 31, 2025
(With Comparative Totals for 2024)

	Workers' Compensation Benefits	General Liability Claims	Totals 2025	Totals 2024
ASSETS				
Cash and equivalents	$ 1,286,000	$ 315,913	$ 1,601,913	$ 1,474,465
Due from other funds	-	299,664	299,664	299,664
Total Assets	1,286,000	615,577	1,901,577	1,774,129
LIABILITIES AND FUND BALANCE (DEFICIT)				
Current liabilities				
Current portion of claims payable	265,376	50,000	315,376	157,530
Non-current liabilities				
Claims payable, less current portion	2,388,382	465,418	2,853,800	1,463,121
Total Liabilities	2,653,758	515,418	3,169,176	1,620,651
Fund Balance (Deficit)				
Unrestricted	(1,367,758)	100,159	(1,267,599)	153,478
Total Liabilities and Fund Balance (Deficit)	$ 1,286,000	$ 615,577	$ 1,901,577	$ 1,774,129

See independent auditors' report.

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
Combining Statement of Revenues, Expenses and Changes
in Net Position
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Workers' Compensation Benefits	General Liability Claims	Totals 2025	Totals 2024
OPERATING REVENUES				
Charges for services	$ 205,745	$ -	$ 205,745	$ 447,319
Miscellaneous	144,181	-	144,181	267,907
Total Operating Revenues	349,926	-	349,926	715,226
OPERATING EXPENSES				
Workers' compensation benefits	1,841,833	-	1,841,833	352,892
Judgments and claims	-	(29,936)	(29,936)	354,055
Total Operating Expenses	1,841,833	(29,936)	1,811,897	706,947
Income (Loss) from Operations	(1,491,907)	29,936	(1,461,971)	8,279
NON-OPERATING REVENUES				
Interest income	33,342	7,552	40,894	42,750
Change in Net Position	(1,458,565)	37,488	(1,421,077)	51,029
NET POSITION (DEFICIT)				
Beginning of Year	90,807	62,671	153,478	102,449
End of Year	$ (1,367,758)	$ 100,159	$ (1,267,599)	$ 153,478

See independent auditors' report.

Proprietary Funds - Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	$ 205,745	$ -
Cash received from insurance carriers, claimants and others	144,181	-
Cash payments to insurance carriers, claimants and others	(263,372)	-
Net Cash from Operating Activities	86,554	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	33,342	7,552
Net Change in Cash and Equivalents	119,896	7,552
CASH AND EQUIVALENTS		
Beginning of Year	1,166,104	308,361
End of Year	$ 1,286,000	$ 315,913
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (Loss) from operations	$ (1,491,907)	$ 29,936
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Claims payable	1,578,461	(29,936)
Net Cash from Operating Activities	$ 86,554	$ -

See independent auditors' report.

Totals	
2025	2024
$ 205,745	$ 447,319
144,181	267,907
(263,372)	(542,591)
86,554	172,635
40,894	42,750
127,448	215,385
1,474,465	1,259,080
$ 1,601,913	$ 1,474,465
$ (1,461,971)	$ 8,279
1,548,525	164,356
$ 86,554	$ 172,635

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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*

Independent Auditors' Report

The Honorable Supervisor and Town Board
of the Town of Yorktown, 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 the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
May 13, 2026

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Supervisor and the Town Board of the Town of Yorktown, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Yorktown, New York's ("Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2025. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O’Connor Davies, LLP
Harrison, New York
May 13, 2026

Town of Yorktown, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-Recipients	Federal Program Expenditures
U.S. Department of Housing and Urban Development				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	$ -	$ 2,443,361
U.S. Department of Justice				
Direct Program				
Bulletproof Vest Partnership Program	16.607	N/A	-	3,685
U.S. Department of Health and Human Services				
Indirect Programs - Passed through County of Westchester				
Aging Cluster				
Special Programs for the Aging - Title III Part B	93.044	AGET6861422	-	7,585
Special Programs for the Aging - Title III Part C	93.045	AGET9411522	-	24,969
COVID-19 Special Programs for the Aging - Title III Part C	93.045	AGEG0111620	-	59,084
			-	84,053
Total U.S. Department of Health and Human Services			-	91,638
Department of Homeland Security				
Indirect Program - Passed through New York State Office of Emergency Management				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4615DRNY		3,985
Total Expenditures of Federal Awards			$ -	$ 2,542,669

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Town of Yorktown, New York (“Town”) under programs of the federal government for the year ended December 31, 2025. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in the net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass – through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The Town has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major Federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Type of auditors' report issued on compliance for major federal programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No

Identification of major federal programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Housing Voucher Cluster
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs	$1,000,000	
Auditee qualified as low-risk auditee?	_X_ Yes	_____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None