FINANCIAL REPORT
AUDITED

TOWN OF MARLBOROUGH, NEW YORK
For the Year Ended December 31, 2023

Audited for:

Town Board

TOWN OF MARLBOROUGH, NEW YORK

Audited By:

RBT CPAs, LLP
11 Racquet Road
Newburgh, New York 12550
(845) 567-9000

TOWN OF MARLBOROUGH, NEW YORK

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RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS   BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Town Board
Town of Marlborough
21 Milton Turnpike, Suite 200
Milton, New York 12547

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Marlborough, New York (the "Town"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Marlborough as of December 31, 2023 and the changes in financial position 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* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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Auditor’s Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison information, and schedules of changes in the net OPEB liability and related ratios, OPEB contributions and assumptions, proportionate share of the net pension liability and related ratios, and employer pension contributions on pages 4 through 9 and 41 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024 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 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.

RBT CPAs, LLP

Newburgh, New York
September 19, 2024

TOWN OF MARLBOROUGH, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of the Town of Marlborough, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023. This should be read in conjunction with the *Independent Auditor's Report* at the front of this report, the basic financial statements and the accompanying notes to those statements.

The Management's Discussion and Analysis ("MD&A") for 2023 contains comparisons to the year end 2022 audited financial records.

Financial Highlights

- On the government-wide financial statements, the assets of the Town exceeded its liabilities at the close of the 2023 year by $6,731,533. The unrestricted portion, which is available to meet ongoing obligations of the Town, reflects a balance of ($7,746,378), an increased deficit of ($263,022) from the prior year.

- During the calendar year, net position for governmental activities increased by $1,415,599 from the prior fiscal year for an ending balance of $6,731,533.

- The liability for other post-employment benefits ("OPEB"), reflects the net present value of continuing health insurance coverage to town employees who retire from the Town. The Town's collective OPEB obligation is significantly larger than any other liability. In contrast to pension benefits, retiree health care is not allowed to be prefunded with deposits into large investment pools, but rather covered on a "pay-as-you-go" basis.

- As of the close of the current calendar year, the Town's governmental funds reported combined ending fund balances of $2,492,351 representing a net decrease of $51,478 from the prior year. The total fund balance that is unrestricted and available for spending at the Town's discretion is $1,595,104 in the General Fund, with $150,000 assigned for the 2024 budget.

- At the end of the current calendar year, the total fund balance of the General Fund was $2,112,533, a net increase of $250,732 from the prior year.

- At the end of the current calendar year, the total fund balance for the Highway Fund was $1,136,629, a net increase of $184,751 from the prior year.

- During 2023 the Town adopted the 2024 budget under the Two Percent Cap limit for the Real Property Tax Levy Growth Factor.

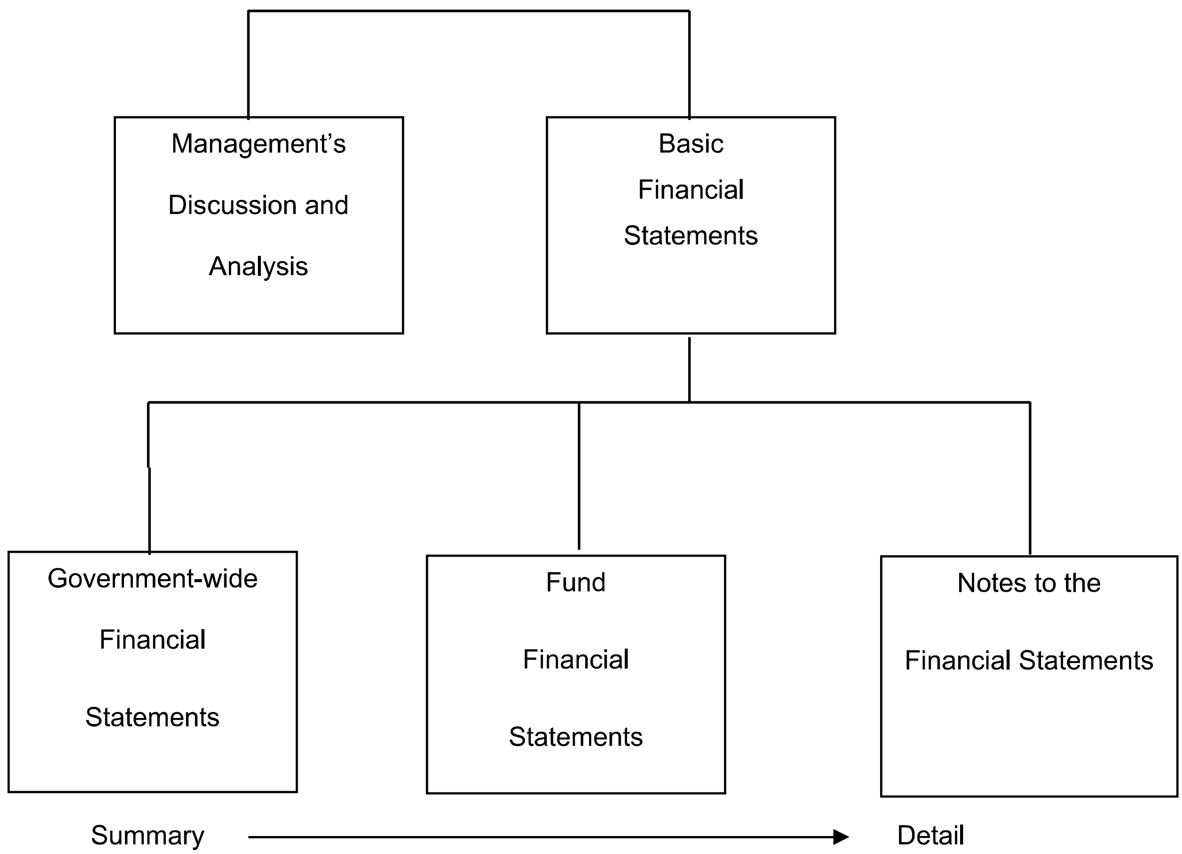
- Reflected in the Government-Wide financial statements for the calendar year ended December 31, 2023, is the recording of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68. This pronouncement requires municipalities that provide pensions through the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") to report pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the net pension asset/(liability). For the year ended December 31, 2023, the Town reported liabilities of $1,221,941 and $1,380,435 for its proportionate share of the ERS and PFRS, respectively. More detailed information is available in the notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail following this narrative. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Town.

Required Components of the Town's Basic Financial Statements

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements, they include: 1) the governmental and fiduciary fund statements and 2) reconciliations to the government-wide financial statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The governmental activities include most of the Town's basic services such as public safety, road maintenance and administration. Property taxes, sales tax, charges for services and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as New York State general municipal law and local finance law or the Town's budget regulations. All of the funds of the Town of Marlborough are classified in one of two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting,* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

Fiduciary Funds – The Town acts in a custodial capacity for assets that are ultimately transferred to others, such as guarantee and bid deposits. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

Budgets

The Town adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens and management of the Town, and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary comparison demonstrates how well the Town complied with the final budget and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted by the Town Board; 2) the final budget as amended by the Town Board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures. The schedule is presented as required supplementary information.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
GOVERNMENTAL ACTIVITIES
NET POSITION

	2023	Restated 2022	$ Change	% Change
Current Assets	**$ 6,066,502**	$ 5,943,521	$ 122,981	2.07%
Other Assets	**418,488**	791,509	(373,021)	-47.13%
Capital Assets	**15,343,838**	14,153,181	1,190,657	8.41%
Total Assets	**21,828,828**	20,888,211	940,617	4.50%
Deferred Outflows of Resources	**5,072,854**	5,260,693	(187,839)	-3.57%
Current Liabilities	**3,340,736**	3,193,231	147,505	4.62%
Long-Term Liabilities	**11,864,617**	9,023,473	2,841,144	31.49%
Total Liabilities	**15,205,353**	12,216,704	2,988,649	24.46%
Deferred Inflows of Resources	**4,964,796**	8,616,266	(3,651,470)	-42.38%
Net Position:				
Net Investment in Capital Assets	**13,747,098**	12,068,186	1,678,912	13.91%
Restricted	**730,813**	731,104	(291)	-0.04%
Unrestricted	**(7,746,378)**	(7,483,356)	(263,022)	-3.51%
Total Net Position	**$ 6,731,533**	$ 5,315,934	$ 1,415,599	26.63%

Long-Term Liabilities increase was due to changes in the actuarial calculations for OPEB and pension liabilities. Capital Assets increase was due to capital improvements projects during the year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
GOVERNMENTAL ACTIVITIES
CHANGES IN NET POISTION

	2023	%	Restated 2022	%	$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	**$ 2,879,648**	**23.85%**	$ 3,059,282	24.92%	$ (179,634)	-5.87%
Operating and Capital Grants	**913,605**	**7.57%**	1,296,192	10.56%	(382,587)	-29.52%
General Revenues:						
Real Property Taxes	**6,589,109**	**54.55%**	6,399,707	52.13%	189,402	2.96%
Real Property Taxes-Water Utilities	**131,300**	**1.08%**	121,350	0.99%	9,950	8.20%
Real Property Tax Items	**84,023**	**0.70%**	86,637	0.71%	(2,614)	-3.02%
Non Property Taxes	**143,967**	**1.19%**	167,291	1.36%	(23,324)	-13.94%
Tax Revenue Sharing	**650,353**	**5.39%**	791,818	6.45%	(141,465)	-17.87%
Use of Money and Property	**50,217**	**0.42%**	46,304	0.38%	3,913	8.45%
Gain on Disposal of Assets	**597,025**	**4.94%**	251,710	2.05%	345,315	100.00%
Miscellaneous	**36,928**	**0.31%**	55,569	0.45%	(18,641)	-33.55%
Total Revenues	**12,076,175**	**100.00%**	12,275,860	100.00%	(199,685)	-1.63%
Expenses:						
General Government	**2,042,567**	**19.16%**	1,795,255	18.69%	247,312	13.78%
Public Safety	**2,568,453**	**24.09%**	2,106,572	21.93%	461,881	21.93%
Public Health	**350,000**	**3.28%**	327,192	3.41%	22,808	6.97%
Transportation	**2,492,508**	**23.39%**	2,489,222	25.91%	3,286	0.13%
Economic Assistance and Opportunity	**21,567**	**0.20%**	18,795	0.20%	2,772	14.75%
Culture and Recreation	**552,250**	**5.18%**	533,130	5.55%	19,120	3.59%
Home and Community Services	**2,537,574**	**23.80%**	2,267,378	23.60%	270,196	11.92%
Interest on Debt	**95,657**	**0.90%**	69,887	0.73%	25,770	36.87%
Total Expenses	**10,660,576**	**100.00%**	9,607,431	100.00%	1,053,145	10.96%
Change in Net Position	**$ 1,415,599**		$ 2,668,429		$ (1,252,830)	-46.95%

Total expenses increased as a result of the changes in the actuarial calculations for OPEB and pension.

Governmental Funds

For the calendar year ended December 31, 2023, revenues from governmental funds totaled $12,051,781. The largest revenue was real property taxes of $6,720,409, or 55.8% of the total.

For the calendar year ended December 31, 2023, expenditures from governmental funds totaled $12,181,295.

General Fund Budgetary Highlights

During the calendar year, the Town revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

As discussed, the Town's governmental funds are reported in the fund statements under a modified accrual basis that uses a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial commitments. The total fund balances allocated between non-spendable, restricted, assigned, and unassigned fund balance for each of the funds are presented in the governmental funds balance sheet.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities as of December 31, 2023 totaled $13,747,098 (net of accumulated depreciation of $10,553,240 and related debt of $1,596,740). These assets include land, construction in progress, buildings, improvements, machinery, equipment, vehicles, roads and other infrastructure.

Long-Term Debt

As of December 31, 2023, the Town had total bonded debt outstanding of $403,170, which is backed by the full faith and credit of the Town. This is a net decrease of $410,219, or 50%, during the 2023 year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

Requests for Information

This report is designed to provide a general overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Scott Corcoran, Town Supervisor, 21 Milton Turnpike, Suite 200, Milton, NY 12547.

TOWN OF MARLBOROUGH, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 4,514,780
Restricted Cash	730,813
Accounts Receivable	820,909
Net Workers' Compensation Pool Asset	418,488
	6,484,990
Capital Assets, not being depreciated	4,053,856
Capital Assets, being depreciated, net	11,289,982
Total Capital Assets, net (Note V)	15,343,838
Total Assets	21,828,828
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (Note VI)	2,008,872
Other Postemployment Benefits (Note VII)	3,063,982
Total Deferred Outflows Of Resources	5,072,854
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	26,901,682
LIABILITIES	
Accounts Payable	530,521
Accrued Liabilities	876,600
Other Liabilities	740,045
Bond Anticipation Notes Payable (Note VIII)	1,193,570
Noncurrent Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note IX)	47,719
Due and Payable More Than One Year:	
Bonds Payable (Note IX)	355,451
Compensated Absences Payable (Note IX)	111,292
Net Pension Liability-ERS (Note VI)	1,221,941
Net Pension Liability-PFRS (Note VI)	1,380,435
Other Postemployment Benefits (Note VII)	8,747,779
Total Liabilities	15,205,353
DEFERRED INFLOWS OF RESOURCES	
Pensions (Note VI)	218,703
Other Postemployment Benefits (Note VII)	4,746,093
Total Deferred Inflows Of Resources	4,964,796
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	20,170,149
NET POSITION	
Net Investment in Capital Assets	13,747,098
Restricted	730,813
Unrestricted	(7,746,378)
TOTAL NET POSITION	$ 6,731,533

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ (2,042,567)	$ 55,890	$ -	$ -	$ (1,986,677)
Public Safety	(2,568,453)	226,852	-	-	(2,341,601)
Public Health	(350,000)	60,019	34,250	-	(255,731)
Transportation	(2,492,508)	-	288,650	-	(2,203,858)
Economic Assistance and Opportunity	(21,567)	-	-	-	(21,567)
Culture and Recreation	(552,250)	172,700	-	44,747	(334,803)
Home and Community Services	(2,537,574)	2,364,187	-	545,958	372,571
Interest on Debt	(95,657)	-	-	-	(95,657)
Total Primary Government	$ (10,660,576)	$ 2,879,648	$ 322,900	$ 590,705	(6,867,323)
General Revenues:					
Real Property Taxes					6,589,109
Real Property Taxes - Utilities					131,300
Real Property Tax Items					84,023
Non-Property Taxes					143,967
Tax Revenue Sharing					650,353
Use of Money and Property					50,217
Gain on Disposal of Assets					597,025
Miscellaneous					36,928
Total General Revenues					8,282,922
Change in Net Position					1,415,599
Net Position - Beginning					5,352,988
Prior Period Adjustments (Note XIII)					(37,054)
Net Position - Beginning, as restated					5,315,934
Net Position - Ending					$ 6,731,533

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Highway	Water	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 1,944,409	$ 1,091,276	$ 252,015	$ 949,550	$ 277,530	$ 4,514,780
Restricted Cash	367,429	307,763	55,621	-	-	730,813
Receivables, Net	282,451	456	223,291	-	55,275	561,473
Due from Other Funds (Note IV)	1,123,873	81,994	326	-	-	1,206,193
Total Assets	$ 3,718,162	$ 1,481,489	$ 531,253	$ 949,550	$ 332,805	$ 7,013,259
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 84,096	$ 34,874	$ 190,876	$ 208,177	$ 12,498	$ 530,521
Accrued Liabilities	716,787	82,517	20,995	30,280	-	850,579
Due to Other Funds (Note IV)	64,701	227,469	47,698	851,340	14,985	1,206,193
Other Liabilities	740,045	-	-	-	-	740,045
Bond Anticipation Notes Payable (Note VIII)	-	-	-	1,193,570	-	1,193,570
Total Liabilities	1,605,629	344,860	259,569	2,283,367	27,483	4,520,908
Fund Balances:						
Fund Balance - Restricted						
Restricted	367,429	307,763	55,621	-	-	730,813
Fund Balance - Assigned						
Assigned for Subsequent Year's Budget	150,000	25,000	-	-	-	175,000
Assigned for Fund Purpose	-	803,866	216,063	882,913	305,322	2,208,164
Fund Balance - Unassigned	1,595,104	-	-	(2,216,730)	-	(621,626)
Total Fund Balances	2,112,533	1,136,629	271,684	(1,333,817)	305,322	2,492,351
Total Liabilities and Fund Balances	$ 3,718,162	$ 1,481,489	$ 531,253	$ 949,550	$ 332,805	$ 7,013,259

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	$ 4,514,780	$ -	$ -	$ 4,514,780
Restricted Cash	730,813	-	-	730,813
Receivables, Net	561,473	259,436	-	820,909
Due From Other Funds	1,206,193	-	(1,206,193)	-
Net Workers' Compensation Pool Asset	-	418,488	-	418,488
Capital Assets, Net	-	15,343,838	-	15,343,838
Total Assets	7,013,259	16,021,762	(1,206,193)	21,828,828
Deferred Outflows of Resources - Pension	-	2,008,872	-	2,008,872
Deferred Outflows of Resources - OPEB	-	3,063,982	-	3,063,982
Total Assets and Deferred Outflows of Resources	$ 7,013,259	$ 21,094,616	$ (1,206,193)	$ 26,901,682
LIABILITIES				
Accounts Payable	$ 530,521	-	$ -	$ 530,521
Accrued Liabilities	850,579	26,021	-	876,600
Due to Other Funds	1,206,193	-	(1,206,193)	-
Other Liabilities	740,045	-		740,045
Compensated Absences Payable	-	111,292	-	111,292
Bond Anticipation Notes Payable	1,193,570	-	-	1,193,570
Bonds Payable	-	403,170	-	403,170
Net Pension Liability - ERS	-	1,221,941	-	1,221,941
Net Pension Liability - PFRS	-	1,380,435	-	1,380,435
Other Postemployment Benefits	-	8,747,779	-	8,747,779
Total Liabilities	4,520,908	11,890,638	(1,206,193)	15,205,353
Deferred Inflows of Resources - Pension	-	218,703	-	218,703
Deferred Inflows of Resources - OPEB	-	4,746,093	-	4,746,093
Total Fund Balances	2,492,351	4,239,182	-	6,731,533
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,013,259	$ 21,094,616	$ (1,206,193)	$ 26,901,682

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Highway Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Real Property Taxes	$ 4,291,124	$ 2,268,812	$ -	$ 29,173	$ 131,300	$ 6,720,409
Real Property Tax Items	84,023	-	-	-	-	84,023
Non-Property Tax Items	439,425	-	-	-	-	439,425
Departmental Income	651,157	-	1,646,227	-	296,254	2,593,638
Intergovernmental Charges	168,132	-	-	-	-	168,132
Use of Money and Property	50,217	-	-	-	-	50,217
Licenses and Permits	7,940	350	-	-	-	8,290
Fines and Forfeitures	74,413	-	-	-	-	74,413
Sale of Property and Compensation for Loss	134,420	2,238	12,692	458,456	-	607,806
Miscellaneous	36,895	-	33	-	-	36,928
State and Federal Aid	417,596	288,650	-	562,254	-	1,268,500
Total Revenues	6,355,342	2,560,050	1,658,952	1,049,883	427,554	12,051,781
Expenditures:						
General Government	1,491,001	-	176	-	-	1,491,177
Public Safety	1,574,717	-	-	-	-	1,574,717
Public Health	350,000	-	-	-	-	350,000
Transportation	138,454	1,449,331	-	-	56,863	1,644,648
Economic Assistance and Opportunity	21,567	-	-	-	-	21,567
Culture and Recreation	482,031	-	-	12,292	-	494,323
Home and Community Services	284,808	-	1,513,013	-	332,263	2,130,084
Employee Benefits	1,535,974	352,678	111,249	-	-	1,999,901
Capital Outlay	108,953	203,296	66,475	1,520,463	-	1,899,187
Debt Service	117,105	369,994	-	28,592	60,000	575,691
Total Expenditures	6,104,610	2,375,299	1,690,913	1,561,347	449,126	12,181,295
Excess/(Deficiency) of Revenues Over Expenditures	250,732	184,751	(31,961)	(511,464)	(21,572)	(129,514)
Other Financing Sources/(Uses):						
BANS Redeemed from Appropriations	-	-	-	78,036	-	78,036
Total Other Financing Sources/(Uses)	-	-	-	78,036	-	78,036
Change in Fund Balances	250,732	184,751	(31,961)	(433,428)	(21,572)	(51,478)
Fund Balances - Beginning	1,898,855	951,878	303,645	(877,030)	326,894	2,604,242
Prior Period Adjustment	(37,054)	-	-	(23,359)	-	(60,413)
Fund Balance, Beginning of Year, as restated	1,861,801	951,878	303,645	(900,389)	326,894	2,543,829
Fund Balances - Ending	$ 2,112,533	$ 1,136,629	$ 271,684	$ (1,333,817)	$ 305,322	$ 2,492,351

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	$ 6,720,409	$ -	$ -	$ -	$ -	$ 6,720,409
Real Property Tax Items	84,023	-	-	-	-	84,023
Non-Property Tax Items	439,425	-	-	-	-	439,425
Departmental Income	2,593,638	35,175	-	-	-	2,628,813
Intergovernmental Charges	168,132	-	-	-	-	168,132
Use of Money and Property	50,217	-	-	-	-	50,217
Licenses and Permits	8,290	-	-	-	-	8,290
Fines and Forfeitures	74,413	-	-	-	-	74,413
Gain/(Loss) on Disposal of Assets	607,806	-	(10,781)	-	-	597,025
Miscellaneous	36,928	-	-	-	-	36,928
State and Federal Aid	1,268,500	-	-	-	-	1,268,500
Total Revenues	12,051,781	35,175	(10,781)	-	-	12,076,175
Expenditures:						
General Government	1,491,177	-	73,158	-	478,232	2,042,567
Public Safety	1,574,717	-	48,313	-	945,423	2,568,453
Public Health	350,000	-	-	-	-	350,000
Transportation	1,644,648	-	406,588	-	441,272	2,492,508
Economic Assistance and Opportunity	21,567	-	-	-	-	21,567
Culture and Recreation	494,323	-	25,987	-	31,940	552,250
Home and Community Services	2,130,084	-	143,703	-	263,787	2,537,574
Employee Benefits	1,999,901	160,753	-	-	(2,160,654)	-
Capital Outlay	1,899,187	-	(1,899,187)	-	-	-
Debt Service	575,691	8,221	-	(488,255)	-	95,657
Total Expenditures	12,181,295	168,974	(1,201,438)	(488,255)	-	10,660,576
Other Financing Sources/(Uses):						
BANS Redeemed from Appropriations	78,036	-	-	(78,036)	-	-
Total Other Financing Sources/(Uses)	78,036	-	-	(78,036)	-	-
Change in Fund Balances/Net Position	$ (51,478)	$ (133,799)	$ 1,190,657	$ 410,219	$ -	$ 1,415,599

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

	Private Purpose Trust
ASSETS	
Cash	$ 8,167
Total Assets	8,167
NET POSITION	
Held in Trust	$ 8,167

See accompanying notes to basic financial statements.

TOWN OF MARLBOROUGH, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Private Purpose Trust
EARNINGS	
Earnings	$ 64
Changes in Net Position	64
Net Position Held in Trust - Beginning	8,103
Net Position Held in Trust - Ending	$ 8,167

See accompanying notes to basic financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Marlborough (the "Town"), established in Ulster County, New York, is governed by the laws of the State of New York (the "State") and various local laws. The Town Board is the legislative body responsible for overall operations; the Supervisor serves as Chief Executive Officer and Chief Fiscal Officer.

The Town, for financial purposes, includes all of the funds relevant to the operations of the Town of Marlborough, New York. The financial statements include organizations, functions and activities that are controlled by or dependent upon the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. Under these criteria, no other entities are included in the Town's financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board ("GASB"). The notes to the financial statements are an integral part of the statements and are intended to be read with them.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the 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, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current calendar period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The G*eneral Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Highway Fund* is used to account for financial resources necessary to repair and maintain the roads within the Town.

The *Water Fund* is used to account for financial resources to be used for the operations and maintenance of the water district within the Town.

The C*apital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The principal source of financing is from the sale of bonds or bond anticipation notes.

Additionally, the Town reports the following fund types:

Non-major funds:

- The *Sewer Fund* is used to account for financial resources to be used for the operations and maintenance of the sewer districts within the Town.
- The *Drainage District Fund* is used to record operation and maintenance transactions related to the Town's drainage districts. Revenues are derived from special district assessments.
- The *Lighting District Fund* is used to record operation and maintenance transactions related to the Town's lighting districts. Revenues are derived from special district assessments.

Fiduciary Funds are used to report assets which are held in a trustee or custodial capacity and are, therefore, not available to support Town programs.

D. Pervasiveness of Estimates

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Budgetary Data

The Town's budget policies are as follows:

1. No later than October 5th, the budget officer submits a tentative budget to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.

   a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20th.

   b. All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.

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

F. Property Taxes

Town and County real property taxes are levied annually on January 1, and become a lien on that date. Taxes are collected during the period January 1 to January 31 at face value and from February 1 to March 31 with interest added. The Town Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town prior to distributing the remaining balance collected to the County on June 1. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County.

G. Cash and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Chief Fiscal Officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

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

H. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables recorded in the governmental fund balance sheet are expected to be collected within sixty days of year end.

I. Due To/From Other Funds

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

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

K. Capital Assets

Capital assets are reported at historical cost. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the Government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Improvements	$ 5,000	10 - 50 Years
Machinery, Equipment, and Vehicles	$ 5,000	5 - 40 Years

L. Infrastructure

The Town includes long-lived improvements to roads, water, and sewer systems ("infrastructure") as capital assets in the Government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	Capitalization Threshold	Estimated Useful Life
Roads and Infrastructure	$ 5,000	40 Years

M. Vested Employee Benefits

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee may be entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. A liability for accrued vacation and sick time is reflected in the Government-wide statements under the heading "Compensated Absences." See Note IX.

The Town's employees participate in the New York State Employee's Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). See Note VI.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and the required years of service while working for the Town. See Note VII.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Unemployment Insurance

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the Town's account. The Town is exempt from federal unemployment insurance tax.

O. Deferred Compensation

The Town, through the New York State Deferred Compensation Board, offers its employees a Deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to this plan.

P. Risk Retention

The Town assumes the liability for most risks including, but not limited to, property damage and personal injury liability. The Town purchases commercial insurance to mitigate these risks, subject to certain deductibles. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Q. Equity Classification

1. Government-wide Statements

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

- Net Investment in Capital Assets

  Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted Net Position

  Consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Position

  The remaining portion of net position that does not meet the definition of "restricted" or "net investment in capital assets."

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Q. Equity Classification – Continued

2. Fund Financial Statements

Equity is defined as fund balance and displayed in five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

Nonspendable:

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.

Restricted:

Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Committed:

Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (the Town Board) before the end of the year. The same level of formal action is required to remove the constraint.

Assigned:

Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned:

Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this classification should only be used to report a deficit balance.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available, the Town's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

R. Interfund Transfers

The operations of the Town give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided in Note IV.

S. Subsequent Events

Management has evaluated subsequent events from December 31, 2023, through September 19, 2024, the date on which the financial statements were available to be issued.

T. Leases

The Town implemented GASB 87 effective January 1, 2022, and has elected not to capitalize lease assets or liabilities for immaterial leases. The Town will continue to account for immaterial lease arrangements under extant standards.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Funds Balance Sheet and Net Position reported on the Statement of Net Position.

(1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	$	25,897,078
Accumulated Depreciation		(10,553,240)
Capital Assets, Net	$	15,343,838

(2) Long-term receivables are reported in the Statement of Net Position, but not in the governmental funds, because they are not expected to be received within 60 days of year end. Balances at year end were:

Fourth Quarter 2023 Water and Sewer Billings	$	259,436

(3) The governmental funds do not include long-term assets because they cannot be used to pay for current liabilities. However, the assets are reported in the Statement of Net Position because they represent economic assets. Balances at year end were:

Net Workers' Compensation Pool Asset	$	418,488

(4) Interest payable is recognized in the government-wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at December 31, 2023	$	26,021

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities – Continued

(5) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds Payable	$	403,170
Compensated Absences Payable		111,292
ERS and PFRS Net Pension Liability - Proportionate Share		2,602,376
Other Postemployment Benefits		8,747,779
Long-term Liabilities	$	11,864,617

(6) Deferred outflows and inflows of resources are reported in the Statement of Net Position, but not in the governmental funds, because they do not represent current assets or obligations. Balances at year end were:

Deferred Outflows of Resources - Pension	$	2,008,872
Deferred Outflows of Resources - OPEB	$	3,063,982
Deferred Inflows of Resources - Pension	$	(218,703)
Deferred Inflows of Resources - OPEB	$	(4,746,093)

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.

- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities – Continued

<u>Total Revenues and Other Funding Sources</u>

Total revenues reported in governmental funds	$	12,051,781
Governmental funds report the gross proceeds from the sale of capital assets. In the Statement of Activities, the book value of the capital assets is netted against the proceeds.		(10,781)
Water and Sewer billings are recognized in the government-wide statements under full accrual accounting, whereas they are recognized when measurable and available in the governmental fund statements. This is the amount by which the fourth quarter Water and Sewer billings for the current year exceeded the fourth quarter Water and Sewer billings for the prior year.		35,175
Total revenues reported in the Statement of Activities	$	12,076,175

<u>Total Expenditures/Expenses</u>

Total expenditures reported in governmental funds	$	12,181,295
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.		520
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the changes in the actuarially determined OPEB liability and related deferred outflows/inflows of resources of the Town. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the changes in OPEB liability and related deferred outflows/inflows of resources was less than the amount of financial resources used during the year.		(47,463)
In the Statement of Activities, pension expense related to ERS and PFRS defined benefit plans is measured as the change in the Town's proportionate shares of the net pension assets/liabilities and related deferred inflows/outflows of resources as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized as the sum of (1) amounts paid by the employer to the pension plan, and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was more than the amount of financial resources expended during the year.		302,067
The Town participates in a County-wide workers' compensation pool. The cost of premiums paid are generally reported as expenditures in the year they are incurred and the Town's portion of the pool's assets do not appear on the balance sheet, but the Statement of Net Position includes all long-term assets of the Town and the change in the assets is reported in the Statement of Activities. This is the amount by which the Town's share of the pool's assets increased over the prior year		(94,371)

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities – Continued

Interest payable is recognized in the government-wide statements under full accrual accounting, whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year exceeded the interest payable for the prior year.		8,221
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $1,899,187 was less than depreciation expenses of $697,749 in the current year.		(1,201,438)
Repayment of bond principal is an expenditure in the governmental funds; it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.		(488,255)
Total expenditures reported in the Statement of Activities	$	10,660,576

II. CASH

At December 31, 2023, the carrying amount of the Town's deposits (cash, certificates of deposit and interest-bearing savings accounts) was $5,253,610 and the bank balance was $5,757,559. The Town's deposits at December 31, 2023, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town's agent bank in the Town's name. Petty Cash is included in Cash and Cash Equivalents and totaled $150 at year end.

IV. INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2023 were as follows:

Funds		Due from Other Funds		Due to Other Funds
General	$	1,123,873	$	64,701
Highway		81,994		227,469
Water		-		47,698
Sewer		326		9,032
Capital Projects		-		851,340
Drainage (multiple districts)		-		5,953
TOTAL	$	1,206,193	$	1,206,193

V. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2023 were as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,310,791	$ -	$ -	$ 1,310,791
Construction in Progress	1,222,602	1,520,463	-	2,743,065
Total capital assets, not being depreciated	2,533,393	1,520,463	-	4,053,856
Capital assets, being depreciated:				
Buildings	2,753,441	-	-	2,753,441
Improvements other Than Buildings	3,209,983	49,552	-	3,259,535
Infrastructure	9,733,884	10,560	-	9,744,444
Machinery, Equipment, and Vehicles	5,797,276	318,612	(30,086)	6,085,802
Total capital assets being depreciated	21,494,584	378,724	(30,086)	21,843,222
Accumulated depreciation for:				
Buildings	(1,961,916)	(60,016)	-	(2,021,932)
Improvements other Than Buildings	(791,446)	(117,750)	-	(909,196)
Infrastructure	(3,554,560)	(247,453)	-	(3,802,013)
Machinery, Equipment, and Vehicles	(3,566,874)	(272,530)	19,305	(3,820,099)
Total accumulated depreciation	(9,874,796)	(697,749)	19,305	(10,553,240)
Total capital assets, being depreciated, net	11,619,788	(319,025)	(10,781)	11,289,982
Governmental activities capital assets, net	$ 14,153,181	$ 1,201,438	$ (10,781)	$ 15,343,838

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

Governmental Activities:	
General Government	$ 73,158
Public Safety	48,313
Transportation	406,588
Culture and Recreation	25,987
Home and Community Services	143,703
Total Depreciation Expense	$ 697,749

VI. PENSION PLANS

Plan Description

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 Systems ("PFRS") (collectively the "Systems"). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for Tier 3, 4, 5 and 6 employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An eligible Tier 3 or 4 member with ten or more years of membership, or ten years credited service, will not be required to contribute to the Retirement System. Tier 5 and 6 members must continue to contribute throughout their employment.

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

Plan Year Ended March 31:	ERS	PFRS
2023	$ 191,170	$ 253,709
2022	$ 285,715	$ 246,584
2021	$ 228,686	$ 213,218

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

At December 31, 2023, the Town reported a liability of $1,221,941 and $1,380,435 for its proportionate share of the net pension liability of the ERS and PFRS, respectively. The net pension liability was measured as of March 31, 2023 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, as actuarially determined. This information was provided to the Town by the ERS and PFRS Systems.

At March 31, 2023, the Town's proportion of the ERS net pension liability was 0.00569830%. At March 31, 2022, the Town's proportion of the ERS net pension liability was 0.00571760%.

At March 31, 2023, the Town's proportion of the PFRS net pension liability was 0.02505110%. At March 31, 2022, the Town's proportion of the PFRS net pension liability was 0.02429040%.

VI. PENSION PLANS - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2023, the Town recognized pension expense of $442,811 for ERS and $375,654 for PFRS. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	ERS	PFRS	Total
Differences between expected and actual experience	$ 130,146	$ 134,924	$ 265,070
Changes of assumptions	593,453	672,682	1,266,135
Net difference between projected and actual earnings on pension plan investments	-	2,440	2,440
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	38,351	35,800	74,151
Town's contributions subsequent to the measurement date	176,501	224,575	401,076
Total	$ 938,451	$ 1,070,421	$ 2,008,872

	Deferred Inflows of Resources		
	ERS	PFRS	Total
Differences between expected and actual experience	$ 34,317	$ -	$ 34,317
Changes of assumptions	6,559	-	6,559
Net difference between projected and actual earnings on pension plan investments	7,179	-	7,179
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	9,804	160,844	170,648
Total	$ 57,859	$ 160,844	$ 218,703

VI. PENSION PLANS - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	ERS	PFRS
2024	$ 173,015	$ 109,470
2025	(54,384)	(63,593)
2026	252,880	384,727
2027	332,580	230,300
2028	-	24,098
	$ 704,091	$ 685,002

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	PFRS
Measurement Date	March 31, 2023	March 31, 2023
Valuation Date	April 1, 2022	April 1, 2022
Investment Rate of Return	5.90% compounded annually net of investment expense	5.90% compounded annually net of investment expense
Projected Salary Increases	4.40%	6.20%
Cost of Living Adjustments	1.5% annually	1.5% annually
Decrement Tables	April 1, 2015 - March 31, 2020 Plan's 2015 Experience Study	April 1, 2015 - March 31, 2020 Plan's 2015 Experience Study
Inflation Rate	2.90%	2.90%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

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

VI. PENSION PLANS - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for both retirement systems are summarized below:

	ERS and PFRS	
Measurement Date	March 31, 2023	
	Target allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	32%	4.30%
International Equity	15%	6.85%
Private Equity	10%	7.50%
Real Estate	9%	4.60%
Opportunistic/Absolute Return Strategy	3%	5.38%
Credit	4%	5.43%
Real Assets	3%	5.84%
Fixed Income	23%	1.50%
Cash	1%	0.00%
Total	100%	

Discount Rate

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

VI. PENSION PLANS - CONTINUED

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

The following presents the Town's proportionate share of the ERS and PFRS net pension (asset)/liability calculated using the discount rates referred to above, as well as what the Town's proportionate share of each net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	$ 2,952,907	$ 1,221,941	$ (224,483)

PFRS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	$ 2,877,580	$ 1,380,435	$ 140,708

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2023, were as follows:

	(Dollars in Thousands)	
	ERS	PFRS
Measurement Date	March 31, 2023	March 31, 2023
Employers' total pension liability	$ 232,627,259	$ 43,835,333
Plan net position	211,183,223	38,324,863
Employers' net pension liability	$ 21,444,036	$ 5,510,470
Ratio of plan net position to the employers' total pension liability	90.78%	87.43%

Contributions Payable to the Pension Plans

For ERS, employer contributions for the plan year ended March 31, 2024 were paid to the System in January 2024. Accrued retirement contributions as of December 31, 2023 totaled $176,501.

For PFRS, employer contributions for the plan year ended March 31, 2024 were paid to the System in January 2024. Accrued retirement contributions as of December 31, 2023 totaled $224,575.

VII. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town's OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (ERS) as well as the provisions of the Town's agreements with its employees. The following eligibility rules currently apply to the Town's employees:

Group	Age	Years of Service
Police:		
Health	N/A	10
Dental	N/A	20
Dispatch	N/A	20
Highway	55	10
Non-Union	55	20

Medical and prescription drug benefits are offered to retirees on a Town-subsided basis. Upon attaining age 55 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town's plan providing an additional layer of coverage.

The benefit terms are dependent on which contract covers each employee. The Town's contribution rates for new retirees are as follows:

				Town Contributions (Fixed)		
Group	Coverage	Hire Date	Years of service	Individual	Spouse	Family
Police	Health		10	100%	100%	100%
	Dental		20	100%	100%	100%
Dispatch	Health & Dental	Pre 1/1/15	20	100%	100%	100%
		Post 1/1/15	20	85%	85%	85%
Highway	Health & Dental	Pre 8/1/06	10 - 15	50 - 75%	50 - 75%	50 - 75%
			16 - 20	80 - 100%	80 - 100%	80 - 100%
		Post 8/1/06	10	50%	50%	50%
			15	75%	75%	75%
			20	90%	90%	90%
Non-Union	Health & Dental		20	100%	100%	100%

VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

The Town's contribution is equivalent to that portion of health insurance premiums paid that are allocated to retirees, estimated to be $199,984 during the year ended December 31, 2023.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by benefit terms:

Active employees	31
Retired	14
Total employees covered by benefit terms	45

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2023. The liability for other postemployment benefits was measured as of December 31, 2023 and totaled $8,747,779.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation Rate	3.00%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	4.00%
Healthcare Cost Trend Rates	8% decreasing to 5%
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

- The discount rate was based on the S&P 20 AA Municipal Bond Index as of December 31, 2023.
- Mortality Rates were based on the PUB-2010 mortality table with MP-2021 projection.

VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Changes in the Total OPEB Liability during the year ended December 31, 2023:

Balance - Beginning	$	7,961,332
Changes for the Year:		
Service Cost		214,934
Interest		338,824
Changes of Assumptions		452,146
Differences Between Expected and Actual Experience		(19,473)
Benefit Payments		(199,984)
Net Changes		786,447
Balance - Ending	$	8,747,779

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

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

	Decrease 3.00%	Rate 4.00%	Increase 5.00%
Total OPEB Liability	$ 10,290,483	$ 8,747,779	$ 7,509,956

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

The following table 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 healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate.

	Decrease 7% decreasing to 4%	Cost Trend Rate 8% decreasing to 5%	Increase 9% decreasing to 6%
Total OPEB Liability	$ 7,356,197	$ 8,747,779	$ 10,537,096

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

For the year ended December 31, 2023, the Town recognized OPEB expense/(benefit) of $(47,463).

At December 31, 2023, the Town reported the following deferred outflows/inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 681,100	$ 1,843,238
Changes of assumptions or other inputs	2,382,882	2,902,855
Total	$ 3,063,982	$ 4,746,093

VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Other amounts recognized in the deferred outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending December 31,	Amount
2024	$ (401,237)
2025	(401,237)
2026	(401,237)
2027	(401,237)
2028	(401,239)
Thereafter	324,076
	$ (1,682,111)

VIII. SHORT-TERM DEBT

State law requires that Bond Anticipation Notes ("BANs") issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of the Town's outstanding bond anticipation notes as of December 31, 2023:

Description	Original Date of Issue	Original Borrowing	Interest Rate	Date of Final Maturity	Outstanding Principal 2023
Sewer Improvements	08/18/95	$ 429,000	7.98%	08/09/24	$ 165,000
Milton Landing South Pier	10/11/19	1,200,000	7.87%	10/05/24	1,028,570
		$ 1,629,000			$ 1,193,570

Interest incurred on short-term debt during the year was as follows:

Interest Paid	$ 60,934
Less: Interest accrued - prior year	(15,288)
Plus: Interest accrued - current year	24,233
Total Interest	$ 69,879

IX. LONG-TERM DEBT

The Town borrows money for various purposes, including acquiring land and equipment or constructing buildings and improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2023, the total long-term principal indebtedness outstanding of the Town was $403,170.

Interest incurred on long-term debt during the year was as follows:

Interest Paid	$ 26,502
Less: Interest accrued - prior year	(2,512)
Plus: Interest accrued - current year	1,788
Total Interest	$ 25,778

IX. LONG-TERM DEBT - CONTINUED

Long-term liability balances and activity for the year are summarized below:

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Amounts Due Within One Year
Serial Bonds	$ 813,389	$ -	$ (410,219)	$ 403,170	$ 47,719
Other Liabilities:					
Compensated Absences	110,772	520	-	111,292	-
Pension Liability	137,980	2,464,396	-	2,602,376	-
Other Postemployment Benefits	7,961,332	786,447	-	8,747,779	-
Total long-term liabilities	$ 9,023,473	$ 3,251,363	$ (410,219)	$ 11,864,617	$ 47,719

Activity for compensated absences is shown net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

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

	Principal	Interest	Total
2024	$ 47,719	$ 17,681	$ 65,400
2025	47,719	15,692	63,411
2026	47,719	13,702	61,421
2027	22,547	11,713	34,260
2028	22,547	10,700	33,247
2029-2033	112,735	38,305	151,040
2034-2038	102,184	12,980	115,164
Total	$ 403,170	$ 120,773	$ 523,943

X. OPERATING LEASES

The Town leases office equipment. The total minimum rental commitment at December 31, 2023, under the lease mentioned above, is due during the years ending December 31:

2024	$ 11,480
2025	5,580
	$ 17,060

Rental expense included in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended December 31, 2023 related to the lease mentioned above was $12,120.

XI. CONTINGENCIES

Grant Funding

The Town has received grants which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds to the federal and State governments. Based on past audits, the Town's management believes disallowances, if any, will be immaterial.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with many taxpayers. Claims allowed, if any, result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable.

Judgments and Claims

A few claims against the Town are presently pending for miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town.

XII. PROPERTY TAX ABATEMENTS

The Town has 3 real property tax abatement agreements entered into by the Town under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes ("PILOT") in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the Town of Marlborough and the Ulster County IDA grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to the PILOT agreements in effect for the year ended December 31, 2023:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
1/1/2021	MARLBORO DISTR RTE9 LLC (POD)	$ 5,031,300	8.541	$ 42,972	$ 21,447	$ 21,525
1/1/2022	HAMM III REALTY- (RIVERVIEW DR)	5,151,700	8.541	44,001	26,212	$ 17,789
1/1/2022	MARLBORO SOLAR MILTON TNPK	2,099,000	8.541	17,928	1,508	$ 16,420

XIII. PRIOR PERIOD ADJUSTMENT

The Town recorded prior period adjustments as of January 1, 2023 for the following items:

Net Position Previous Year	$ 5,352,988
Prior Period Adjustments:	
Sales Tax Recorded in Wrong Year	11,083
School District Utilities Recorded in Wrong Year	(71,496)
Construction in Progress Previously Unrecorded	23,359
Total Adjustments	(37,054)
Net Position Restated	$ 5,315,934
Governmental Funds:	
Fund Balance Beginning of Year	$ 2,604,242
Prior Period Adjustments:	
Sales Tax Recorded in Wrong Year	11,083
School District Utilities Recorded in Wrong Year	(71,496)
Reclass capital expenditures from General to Capital	23,359
Reclass capital expenditures to Capital from General	(23,359)
Total Adjustments	(60,413)

XIV. NEW ACCOUNTING PRINCIPLES

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The implementation of this statement for the year ended December 31, 2023 did not have a material impact on the Town's financial statements.

In April 2022, GASB issued Statement No. 99, Omnibus 2022. This statement addresses several topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. The requirements regarding leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The financial guarantees and derivatives requirements are effective for fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections.* This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections (“ACEC”). The statement also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If these criteria are met, the government is required to disclose information regarding these risks. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement makes targeted improvements to the governmental financial reporting model in order to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Areas impacted by the changes include the MD&A, budgetary comparison information, and major component unit information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the potential impact of these statements, if any, on the Town’s financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS

Total OPEB Liability	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Service Cost	$ 214,934	$ 320,021	$ 334,410	$ 300,288	$ 254,404	$ 245,957
Interest	338,824	298,802	264,071	324,913	313,324	288,785
Differences Between Expected and Actual Experience	(19,473)	(2,430,399)	(129,356)	622,795	285,378	333,880
Changes in Assumptions or Other Inputs	452,146	(3,414,026)	(663,234)	2,682,961	706,841	-
Benefit Payments	(199,984)	(186,271)	(230,209)	(200,210)	(201,944)	(187,011)
Net Change in Total OPEB Liability	786,447	(5,411,873)	(424,318)	3,730,747	1,358,003	681,611
Total OPEB liability - beginning	7,961,332	13,373,205	13,797,523	10,066,776	8,708,773	8,027,162
Total OPEB liability - ending (a)	$ 8,747,779	$ 7,961,332	$ 13,373,205	$ 13,797,523	$ 10,066,776	$ 8,708,773
Plan Fiduciary Net Position						
Contributions - Employer	$ 199,984	$ 186,271	$ 230,209	$ 200,210	$ 201,944	$ 187,011
Net Investment Income	-	-	-	-	-	-
Benefit Payments	(199,984)	(186,271)	(230,209)	(200,210)	(201,944)	(187,011)
Administrative Expense	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary net position - beginning	-	-	-	-	-	-
Plan Fiduciary net position - ending (b)	$ -	$ -	$ -	$ -	$ -	$ -
Total net OPEB liability - ending (a) - (b)	$ 8,747,779	$ 7,961,332	$ 13,373,205	$ 13,797,523	$ 10,066,776	$ 8,708,773
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	$ 3,347,716	$ 3,206,886	$ 3,041,636	$ 2,924,455	$ 2,913,168	$ 2,869,038
Total OPEB Liability as a percentage of covered payroll	261.31%	248.26%	439.67%	471.80%	345.56%	303.54%

Notes to Schedule:
Changes of Benefit Terms:
None
Implied Subsidy: Approximately $35,000 is included in Benefit Payments/Contributions
Changes in Assumptions:
Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period:

December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
4.00%	4.31%	2.25%	1.93%	3.26%	3.64%

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF OPEB CONTRIBUTIONS AND ASSUMPTIONS

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution (SC + 20 year amort NOL)	$ 816,934	$ 1,157,746	$ 1,172,530	$ 993,303	$ 874,950	$ 817,934
Less: actual contributions related to the actuarially determined contribution	199,984	186,271	230,209	200,210	201,944	187,011
Contribution (Excess)/Deficiency	$ 616,950	$ 971,475	$ 942,321	$ 793,093	$ 673,006	$ 630,923
Covered - employee Payroll	$ 3,347,716	$ 3,206,886	$ 3,041,636	$ 2,924,455	$ 2,913,168	$ 2,869,038
Contributions as a percentage of covered - employee payroll	6.00%	5.80%	7.57%	6.85%	6.93%	6.52%

Notes to Schedule:

	2023	2022	2021	2020	2019	2018
Valuation date:	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Census date:	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2018	12/31/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Asset valuation method	Market
Inflation	3%
Healthcare cost trend rates	8% decreasing to 5%
Salary increases	3%
Retirement age	Police: Rates from 20 years of service and out Non-uniformed: Rates from age 55
Mortality	PUB 2010 w/ MP2021 projection
Participation at Retirement	100%

	2023	2022	2021	2020	2019	2018
Investment rate of return	4.00%	4.31%	2.25%	1.93%	3.26%	3.64%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Actual Covered Member Payroll	Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees' Retirement System					
3/31/2023	0.00569830%	$ 1,221,941	$ 1,878,138	65.06%	90.78%
3/31/2022	0.00571760%	$ (467,392)	$ 1,747,277	-26.75%	103.65%
3/31/2021	0.00580580%	$ 5,781	$ 1,671,231	0.35%	99.95%
3/31/2020	0.00541870%	$ 1,434,892	$ 1,639,260	87.53%	86.39%
3/31/2019	0.00513600%	$ 363,898	$ 1,528,786	23.80%	96.27%
3/31/2018	0.00497650%	$ 160,614	$ 1,479,777	10.85%	98.24%
3/31/2017	0.00605910%	$ 569,330	$ 1,411,812	40.33%	94.70%
3/31/2016	0.00564950%	$ 906,759	$ 1,339,569	67.69%	90.68%
3/31/2015	0.00583210%	$ 197,023	N/A	N/A	97.95%

Plan Year Ended	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Actual Covered Member Payroll	Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Police and Fire Retirement System					
3/31/2023	0.02505110%	$ 1,380,435	$ 1,088,880	126.78%	87.43%
3/31/2022	0.02429040%	$ 137,980	$ 955,991	14.43%	98.66%
3/31/2021	0.02917930%	$ 506,633	$ 869,137	58.29%	95.79%
3/31/2020	0.02688230%	$ 1,436,844	$ 933,221	153.97%	84.86%
3/31/2019	0.02818940%	$ 472,755	$ 903,182	52.34%	95.09%
3/31/2018	0.02836370%	$ 286,668	$ 853,898	33.57%	96.93%
3/31/2017	0.02896200%	$ 600,282	$ 833,216	72.04%	93.46%
3/31/2016	0.02892820%	$ 856,501	$ 857,565	99.88%	90.24%
3/31/2015	0.02898650%	$ 79,788	N/A	N/A	99.03%

*GASB 68 requires that the past 10 years of information be presented. Due to the fact that 2015 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
12/31/2023	$ 191,170	$ 191,170	$ -	$ 2,115,019	9.04%
12/31/2022	$ 285,715	$ 285,715	$ -	$ 1,747,277	16.35%
12/31/2021	$ 228,686	$ 228,686	$ -	$ 1,671,231	13.68%
12/31/2020	$ 207,013	$ 207,013	$ -	$ 1,639,260	12.63%
12/31/2019	$ 202,322	$ 202,322	$ -	$ 1,528,786	13.23%
12/31/2018	$ 210,954	$ 210,954	$ -	$ 1,479,777	14.26%
12/31/2017	$ 201,577	$ 201,577	$ -	$ 1,411,812	14.28%
12/31/2016	$ 234,227	$ 234,227	$ -	$ 1,339,569	17.49%

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Police and Fire Retirement System					
12/31/2023	$ 253,709	$ 253,709	$ -	$ 1,144,031	22.18%
12/31/2022	$ 246,584	$ 246,584	$ -	$ 955,991	25.79%
12/31/2021	$ 213,218	$ 213,218	$ -	$ 869,137	24.53%
12/31/2020	$ 198,228	$ 198,228	$ -	$ 933,221	21.24%
12/31/2019	$ 179,237	$ 179,237	$ -	$ 903,182	19.85%
12/31/2018	$ 186,368	$ 186,368	$ -	$ 853,898	21.83%
12/31/2017	$ 194,517	$ 194,517	$ -	$ 833,216	23.35%
12/31/2016	$ 160,226	$ 160,226	$ -	$ 857,565	18.68%

*GASB 68 requires that the past 10 years of information be presented. Due to the fact that 2015 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 4,291,124	$ 4,291,124	$ 4,291,124	$ -
Real Property Tax Items	75,000	75,000	84,023	9,023
Non-Property Tax Items	295,000	416,089	439,425	23,336
Departmental Income	342,000	551,103	651,157	100,054
Intergovernmental Charges	113,000	113,000	168,132	55,132
Use of Money and Property	40,000	40,000	50,217	10,217
Licenses and Permits	3,500	3,500	7,940	4,440
Fines and Forfeitures	80,000	80,000	74,413	(5,587)
Sale of Property and Compensation for Loss	-	129,037	134,420	5,383
Miscellaneous	30,000	30,000	36,895	6,895
State and Federal Aid	251,000	313,701	417,596	103,895
Total Revenues	5,520,624	6,042,554	6,355,342	312,788
Expenditures:				
General Government	1,418,941	1,562,260	1,491,001	71,259
Public Safety	1,414,147	1,560,218	1,574,717	(14,499)
Public Health	346,832	350,001	350,000	1
Transportation	139,780	139,780	138,454	1,326
Economic Assistance and Opportunity	19,000	21,567	21,567	-
Culture and Recreation	340,910	470,602	482,031	(11,429)
Home and Community Services	307,271	328,769	284,808	43,961
Employee Benefits	1,517,468	1,517,468	1,535,974	(18,506)
Capital Outlay	49,750	125,364	108,953	16,411
Debt Service	116,525	116,525	117,105	(580)
Total Expenditures	5,670,624	6,192,554	6,104,610	87,944
Excess/(Deficiency) of Revenues Over Expenditures	(150,000)	(150,000)	250,732	400,732
Net Change in Fund Balance	(150,000)	(150,000)	250,732	400,732
Appropriated Fund Balance	150,000	150,000	-	(150,000)
Total Change in Fund Balance	$ -	$ -	$ 250,732	$ 250,732

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Real Property Taxes	$ 2,268,812	$ 2,268,812	$ 2,268,812	$ -
Licenses & Permits	-	-	350	350
Sale of Property and Compensation for Loss	20,000	20,000	2,238	(17,762)
State and Federal Aid	125,468	288,650	288,650	-
Total Revenues	2,414,280	2,577,462	2,560,050	(17,412)
Expenditures:				
Transportation	1,499,430	1,643,123	1,449,331	193,792
Employee Benefits	337,050	350,022	352,678	(2,656)
Capital Outlay	200,000	206,517	203,296	3,221
Debt Service	377,800	377,800	369,994	7,806
Total Expenditures	2,414,280	2,577,462	2,375,299	202,163
Excess/(Deficiency) of Revenues Over Expenditures	-	-	184,751	184,751
Total Change in Fund Balance	$ -	$ -	$ 184,751	$ 184,751

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Departmental Income	$ 1,432,680	$ 1,647,896	$ 1,646,227	$ (1,669)
Sale of Property and Compensation for Loss	-	12,691	12,692	1
Miscellaneous	-	-	33	33
Total Revenues	1,432,680	1,660,587	1,658,952	(1,635)
Expenditures:				
General Government	-	-	176	(176)
Home & Community Service	1,233,503	1,468,997	1,513,013	(44,016)
Employee Benefits	103,977	106,401	111,249	(4,848)
Capital Outlay	95,200	85,189	66,475	18,714
Total Expenditures	1,432,680	1,660,587	1,690,913	(30,326)
Excess/(Deficiency) of Revenues Over Expenditures	-	-	(31,961)	(31,961)
Total Change in Fund Balance	$ -	$ -	$ (31,961)	$ (31,961)

SUPPLEMENTARY INFORMATION

TOWN OF MARLBOROUGH, NEW YORK
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Sewer	Drainage	Lighting	Total Non-Major Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 145,989	$ 121,293	$ 10,248	$ 277,530
Accounts Receivable	55,275	-	-	55,275
Total Assets	$ 201,264	$ 121,293	$ 10,248	$ 332,805
LIABILITIES				
Accounts Payable	$ 7,727	$ -	$ 4,771	$ 12,498
Due to Other Funds	9,032	5,953	-	14,985
Total Liabilities	16,759	5,953	4,771	27,483
FUND BALANCES				
Fund Balance - Assigned				
Assigned for Fund Purposes	184,505	115,340	5,477	305,322
Total Fund Balances	184,505	115,340	5,477	305,322
Total Liabilities and Fund Balances	$ 201,264	$ 121,293	$ 10,248	$ 332,805

TOWN OF MARLBOROUGH, NEW YORK
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Sewer	Drainage	Lighting	Total Non-Major Governmental Funds
Revenues:				
Real Property Taxes	$ 60,300	$ 13,500	$ 57,500	$ 131,300
Departmental Income	296,254	-	-	296,254
Total Revenues	356,554	13,500	57,500	427,554
Expenditures:				
Transportation	-	215	56,648	56,863
Home and Community Services	321,613	10,650	-	332,263
Debt Service	60,000	-	-	60,000
Total Expenditures	381,613	10,865	56,648	449,126
Excess/(Deficiency) of Revenues Over Expenditures	(25,059)	2,635	852	(21,572)
Change in Fund Balances	(25,059)	2,635	852	(21,572)
Fund Balances - Beginning	209,564	112,705	4,625	326,894
Fund Balances - Ending	$ 184,505	$ 115,340	$ 5,477	$ 305,322

TOWN OF MARLBOROUGH, NEW YORK
SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2023

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Interest Accrued at 12/31/2023	Due Within the Next Year
BOND ANTICIPATION NOTES										
Sewer Improvements	2023	2024	7.98%	$ 178,750	$ -	$ 13,750	$ 165,000	$ 8,115	$ 5,120	$ 165,000
Milton Landing South Pier	2023	2024	7.87%	1,092,856	-	64,286	1,028,570	52,819	19,113	1,028,570
TOTAL BOND ANTICIPATION NOTES				1,271,606	-	78,036	1,193,570	60,934	24,233	1,193,570
SERIAL BONDS										
Milton Sewer	2002	2038	4.750%	192,000	-	12,000	180,000	9,166	1,092	12,000
Highway Improvements	2008	2023	3.960%	350,000	-	350,000	-	7,219	-	-
Riverview Drive	2017	2026	3.880%	100,689	-	25,172	75,517	3,420	179	25,172
Payloader Acquisition	2018	2023	2.200%	12,500	-	12,500	-	275	-	-
Milton Sewer	2022	2037	4.200%	158,200	-	10,547	147,653	6,422	517	10,547
TOTAL SERIAL BONDS				813,389	-	410,219	403,170	26,502	1,788	47,719
TOTAL INDEBTEDNESS				$ 2,084,995	$ -	$ 488,255	$ 1,596,740	$ 87,436	$ 26,021	$ 1,241,289