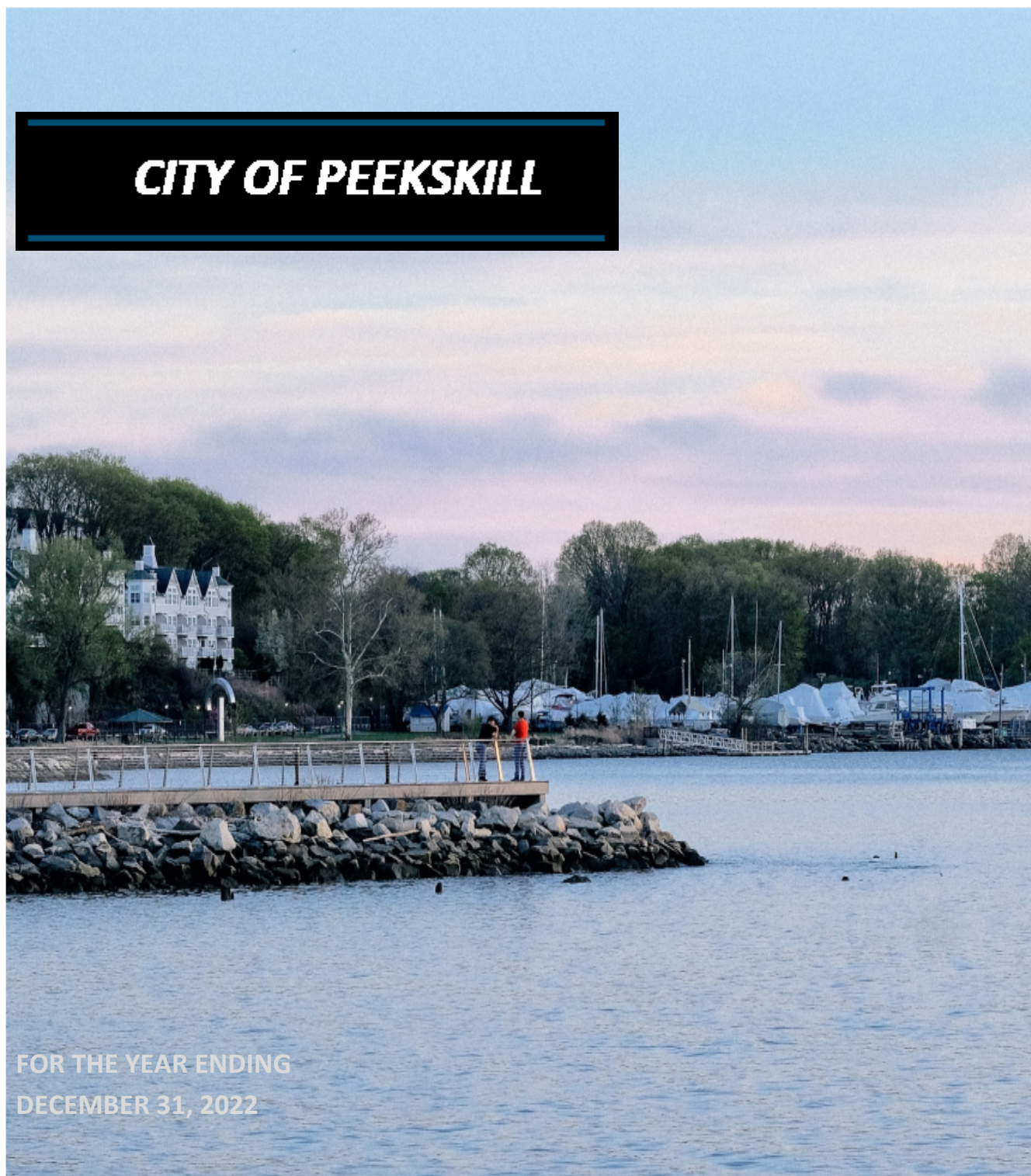


**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

2022

CITY OF PEEKSKILL



FOR THE YEAR ENDING
DECEMBER 31, 2022

CITY OF PEEKSKILL



City of Peekskill, New York

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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**INTRODUCTORY
SECTION**



**City of Peekskill
Principle Officials**

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Phone: (914) 734-4105

Patricia Riley, Deputy Mayor
priley@cityofpeekskill.com

Kathleen Talbot, Councilwoman
ktalbot@cityofpeekskill.com

Robert Scott, Councilman
rscott@cityofpeekskill.com

Ramon Fernandez, Councilman
rfernandez@cityofpeekskill.com

Brian Fassett, Councilman
bfassett@cityofpeekskill.com

Dwight Douglas, Councilman
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Matthew Alexander, City Manager
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Phone: (914) 734-4245

Toni J. Tracy, City Comptroller
Email: ttracy@cityofpeekskill.com

Phone: (914) 734-4118

Debra Petrosky, City Clerk
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Phone: (914) 734-4242

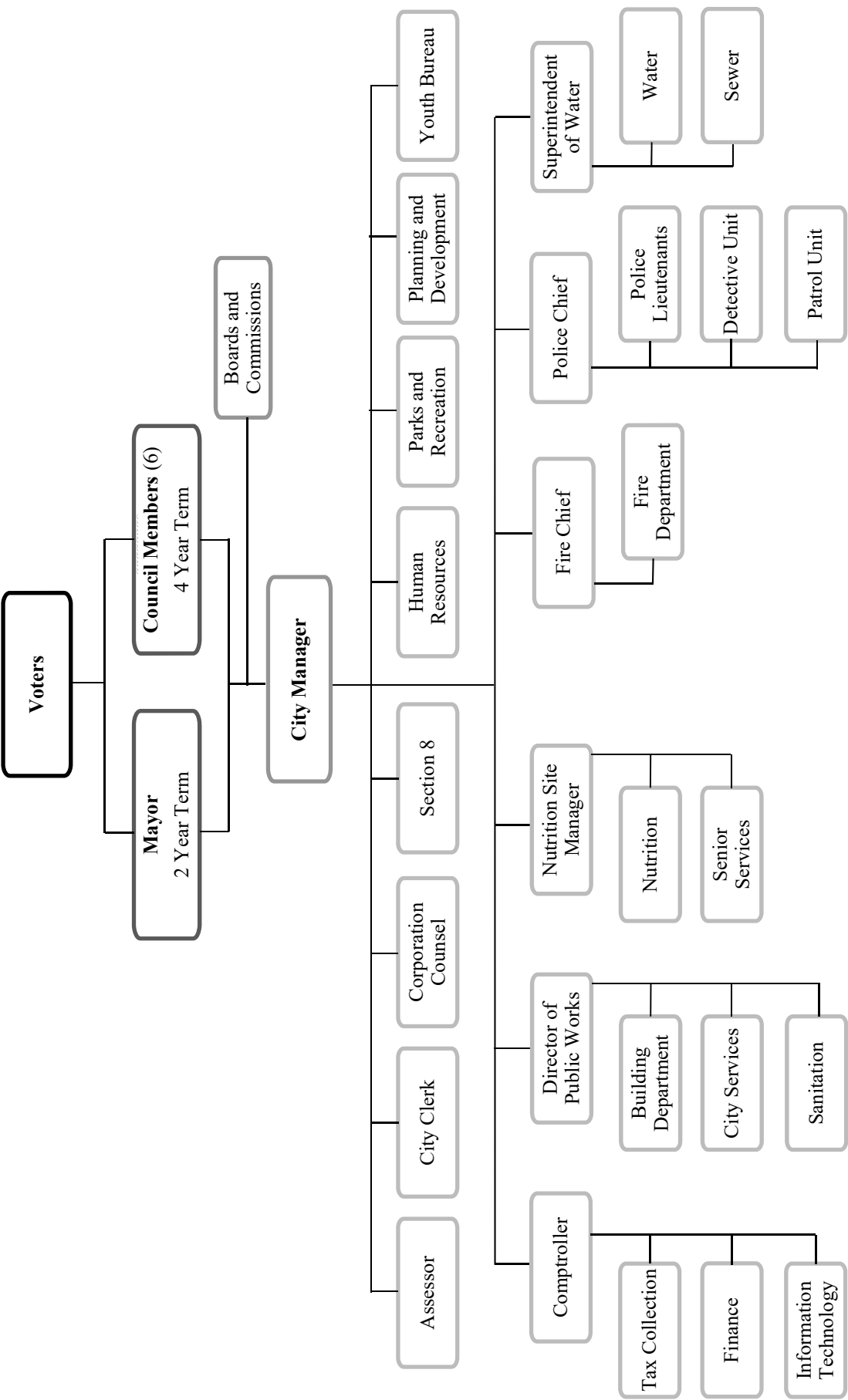
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Phone: (914) 734-4185

Robert Morin, Assessor
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City of Peekskill
Organization Chart





**City of Peekskill
Finance Department
840 Main Street, Peekskill, NY 10566**

Toni J. Tracy
Comptroller

Jessie Boyd
Deputy Comptroller

September 21, 2023

To the Honorable Mayor and Members of the
City Council of the City of Peekskill, NY:

The Annual Comprehensive Financial Report (“ACFR”) for the City of Peekskill, New York (“City”) for the fiscal year ended December 31, 2022, is herewith submitted. The report is submitted pursuant to the requirements of Section 59 of the City Charter and prepared in compliance with both the Governmental Accounting Standards Board Statement No. 34 – Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments and Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

This report consists of management’s representations concerning the finances of the city. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this comprehensive annual financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by PKF O’Connor Davies, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City’s basic financial statements for the fiscal year ended December 31, 2022,

are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City is situated in the northwestern corner of the County of Westchester along the banks of the Hudson River, approximately thirty-five miles north of New York City. The city encompasses a land area of 4.5 square miles and is essentially residential in nature. However, the City serves as a financial and commercial center for northern portions of the County as well as southern Putnam County.

The City has three miles of shoreline, a culturally diverse population, a vibrant downtown with exciting restaurants and entertainment, a thriving school system, extensive recreation and entertainment facilities, easy access to New York City and a full range of housing options, making Peekskill a great place to live, work, relax and enjoy life. Within its 4.5 square miles, 110 miles of streets and roads, 52 miles of sanitary sewer lines, 48 storm drains, 31 traffic signals and 1,609 streetlights are maintained. The present city hall is a historic building, built in 1936. The city also has a police station, one fire station, 19 park and recreation facilities encompassing over 300 acres, a senior citizens center, a commuter railroad station, 17 public parking structures or lots, a water plant, and a central maintenance garage.

The City of Peekskill has a population of 25,304 and a per capita income of \$39,203, according to 2020 data from the United States Census Bureau. Based on the most recent sales data, the median sales price of homes in Peekskill is \$406,000, just above the state-wide average of \$375,000.

The City was incorporated in 1940 and has the powers and responsibilities inherent in the operation of a municipal government, including independent taxing and debt issuance authority. Subject to the provisions of the State Constitution, the City operates under a charter adopted on March 29, 1938, and in accordance with the statutes, including General City Law, General Municipal Law, the Local Finance Law, and the Real Property Tax Law, to the extent that these statutes apply to a city operating with a charter. In its charter, the city has elected to have a managerial form of government. The City Manager serves as the chief executive officer of the city. The Common Council is vested with all legislative authority.

The Common Council is the legislative body of the City and consists of six members elected at large for a term of four years, plus the mayor. It is the responsibility of the Common Council to approve, by resolution, all legislation, including ordinances and local laws, adopt and modify; as required, operating and capital budgets, levy real property taxes and authorize the issuance of all indebtedness.

The mayor, elected at a general election for a two-year term and eligible to succeed himself or herself, is the presiding member of the Common Council, and is eligible to vote on all matters.

The City Manager is appointed by the Common Council and serves at its pleasure. The City Manager is the chief executive officer and responsible for the City's day-to-day operations. In addition, the City Manager is ex-officio, non-voting member of the Common Council. The City Manager appoints all department heads, some subject to the approval of the Common Council. Under the City's Charter, the City Manager is designated as the city budget officer responsible for preparing annual operating budgets and the City's capital program.

The City Comptroller, who is appointed by the City Manager, is the chief fiscal officer, has custody of all City funds and is responsible for the collection of taxes. Accounting records are maintained by the Comptroller's office and budgetary control is the joint responsibility of the City Manager and City

Comptroller. Pursuant to the City Charter, and as provided in the Local Finance Law, the Comptroller coordinates the issuance of all City indebtedness.

The City Manager also serves as an advisor to the City Council and develops recommendations and alternatives leading toward the preservation and enhancement of the City's physical and economic conditions as well as its social, recreational, and cultural vitality.

The City provides a full range of services. General government services include vital statistics (birth and death certificates), business, occupational and other licenses, elections, tax collection services for the Peekskill and Hendrick Hudson School Districts, Peekskill Library and Westchester County as well as the city, and a myriad of administrative functions. Public safety is provided through full-time police and full-time/volunteer fire departments. Community environment services include community planning, engineering, building inspection, office of emergency management, street maintenance, snow removal, street lighting, off-street parking, maintenance of sewers and drains, street cleaning, solid waste and recycling, and street tree maintenance. Recreational services include recreation activities (camps, athletics, tennis, youth, and senior activities), parks and playgrounds and a municipal pool. The City also operates a Youth Bureau servicing all Peekskill, and senior activity and nutrition programs.

There are four independent, although related, organizations for which the city is financially accountable. The Peekskill Industrial Development Agency ("PIDA") is a public benefit corporation created under Section 908-b of the New York State General Municipal Law. Its governing board serves at the pleasure of the City Council. The City Manager acts as the IDA's Executive Director, and the City provides staff services on a contractual basis to the IDA.

The Peekskill Community Development Agency was established initially as an urban renewal agency in 1964. In 1976 the City assumed full responsibility for this Agency; however, this Agency has perpetual existence and continues as a legal entity but is otherwise inactive. All housing and community development related activities, except public housing, are now run by the City's Department of Planning and Development.

The Peekskill Housing Authority ("Authority") is an independent government agency responsible for public housing in the City. The Authority is governed by a seven-member board of trustees, to which the City Manager appoints five members to five-year terms. The remaining two board members are elected by local tenants for two-year terms. An executive director is appointed by the board and manages the day-to-day activities of the Authority. The Authority, which is federally subsidized, administers 282 safe, decent, and affordable housing units for moderate/low-income families. Programs are designed to provide safe and decent shelter at reasonable prices.

The City of Peekskill Local Development Corporation ("LDC") is a Not-for-Profit corporation created under Sections 102 and 1411 of the New York Not-for-Profit Corporation Law for the purposes of coordinating and executing programs in the City of Peekskill aimed at improving the quality of life of the city residents. The LDC has an Executive Director, who has general supervision over the administration of the business and affairs of the LDC and serves as the Compliance Officer. Members of the corporation are the City of Peekskill Industrial Development Corporation seven-member board. As such, the LDC members have complete responsibility for management of the Corporation and accountability for all fiscal matters.

The Peekskill Business Improvement District ("BID") is an entity established by the Common Council to encourage and promote business development in the downtown area. Associate members have complete responsibility for management and accountability for fiscal matters. The City levies a tax on properties within the BID to pay various expenses of operating the BID but does not issue debt on its behalf.

The annual budget serves as the foundation for the City’s financial planning and control. When adopted, it becomes an operational and fiscal guideline for the ensuing year. It is prepared pursuant to City Charter requirements, policy direction from the Mayor and City Council and a set of budget strategies developed by the City Manager and his administrative staff.

The City’s budget is based on a calendar year cycle composed of the following major components:

July - August	Budget Preparation Package distributed to operating departments; process of developing departmental requests commences.
Aug. – Sept.	The City Manager and Comptroller meet with all departments to review budget requests for both operating and capital items.
October 1st	In accordance with Section 60 of the City Charter, the City Manager files tentative budget for ensuing fiscal year and accompanying budget message with the City Clerk, who then notifies Common Council in writing of such filing.
October - November	Common Council reviews budget, budget workshops are held with presentations from department heads, and public hearing on tentative budget.
December 1	Budget and tax levy adopted.

Following adoption of the budget, the City Charter establishes procedures for amendments during the fiscal year and processing transfers between appropriations. Amendments to the budget which increase overall spending must be formally adopted by ordinance of the City Council. Transfers from the contingent fund, or from one budget unit to another budget unit, must be approved by the unanimous consent of the City Council. Transfers from one item to another item in the same budget unit may be made by the City Manager, except that the City Manager does not have the authority to transfer any item that increases the authorized salary amounts.

Factors Affecting Financial Condition

Due to the COVID-19 pandemic lingering through all of 2022, the City continued to experience the rewards of an upward migration out of New York City and the higher-than-expected revenue that goes with it. However, the City is cautiously optimistic that its retail and office economies will recover where it has been negatively impacted. It has yet to be seen how this will impact the future of commercial activity in the City of Peekskill as the nation adjusts to a post pandemic “new normal.”

The City continues to control costs and identify operational revenue to remain New York State tax cap compliant. Consistent with the experience of municipalities across New York State, the City remains challenged by supply chain issues, rampant inflation, a looming potential recession, the increasing cost of doing business with rising expenses in the face of revenues either declining or staying flat. There are several areas which remain chronic issues for municipalities going forward which show no sign of abatement. Health insurance costs, union-negotiated wage and benefit increases, infrastructure demands and the need to replace aging vehicles and equipment will place on-going burdens on the budget. City buildings, including City Hall, the Police Station and theater are getting older and need more constant attention. The gap between anticipated revenue and the cost of maintaining both existing levels of service and our physical assets endures.

The City is subject to the provisions of the New York State “tax cap” legislation enacted in 2012, whose formula restricts the increase in the property tax levy to no more than 2% or the rate of inflation, whichever

is less (subject to override by at least 5 of the 7 voting councilmembers). This restriction on property tax growth places an additional burden on the ability to provide services and maintain facilities within available resources.

The City has been focused on improving its financial position by conservative, yet realistic budgeting of income and expenses, allowing the City to maintain services to its residents and businesses, while strengthening the City's fiscal standing. The City must respond to this adversity by creating a financial plan that will maintain the delivery of our basic services without placing an onerous burden on our taxpayers. Thus, the information presented in the financial statements is best understood when it is considered considering the specific environment in which the City operates.

Long-term Financial Planning

Dramatic changes with a focus on economic development have been taking place in Peekskill, and these 2022 projects represent significant public and private investment:

- A new building for the Hudson Valley Credit Union at 3 North Broad Street in downtown was completed and occupied in 2022.
- The Center Diner at 13 Bank Street is undergoing a major renovation and expansion in the Downtown Historic District, with new residential space being constructed behind the diner.
- A \$55 million 10-story mixed use development is nearing completion with 181 market rate residential units and 5 retail stores.
- A new \$12.5 million facility with 53 affordable units exclusively for Senior Citizens at the eastern entrance to the city was completed and occupied in 2022, with Westchester County investing over \$2 million in infrastructure.
- 82 units of new subsidized workforce housing between Main Street and Central Avenue are under construction with an investment of \$47 million including Westchester County funding to construct the parking garage. The developer joined an apprenticeship program and hired a local apprentice who received skilled career training.
- 216 S. Division Street – A new mixed use building in the Downtown Historic District is nearing completion with 22 market rate residential units and two retail storefronts.
- 505 South Street – A new 51-unit luxury residential building with recreation space and outdoor swimming pool has begun site work.
- 108 N. Division Street (Busy Corner) renovation is completed and includes 13 residential units with a rooftop terrace and five renovated commercial spaces on the first floor.
- 190 N. Water Street building renovation for Bre and Co and for other new craftsman businesses is almost complete.
- A decommissioned firehouse downtown was sold to and renovated by the Peekskill Central School District as a parent resource center and is in full operation. It allowed for additional classroom space to be available in the high school for an expanded STEAM program.
- The City issued a license agreement for vacant property to the Ecological Citizen's Project, who installed a professionally run urban farm downtown that is serving the local community.

- A second round of the Microenterprise Program is being completed which offers grant assistance to existing and new small businesses in Peekskill that provide jobs to low- and moderate-income persons.
- The historic Fort Hill Park is undergoing renovations with the addition of new hiking trails, kiosks, and interpretive signage.
- The reconstruction of Fleischmann Pier and improvements to Charles Point Pier Park are about to begin, made possible by \$3.2 million of State grant funds and City matching funds. Agreements with tour boat and cruise ship companies will promote Peekskill as a major tourism destination in the region.

While the above efforts strengthen the City's economic base, the city also recognizes the need to protect its long-term physical health. In addition to maintaining operating budget projections, the city annually updates its five-year capital improvement program. The preservation of the City's infrastructure, equipment and capital assets is as critical to a community as are its daily operational functions. A separate capital program budget, delineating proposed projects to be undertaken during a five-year period, the estimated cost and proposed method of financing, is submitted to the City Council annually as part of the budget process.

Relevant Financial Policies

The City's annual budget document incorporates a series of financial policies designed to ensure the continued fiscal health of the City. Included in this document are guidelines on staffing levels, expenditure growth, debt management, fund balance and property tax rates.

The City also maintains separate documented policy guidelines for cash management/investments under Sections 10 and 11 of the New York State General Municipal Law, procurement in accordance with Section 104-b of the New York State General Municipal Law, capital assets and a five-year capital improvement program. These policies are reviewed on an annual basis and updated if warranted.

The City procures conventional insurance policies for workers compensation, general liability, excess liability, law enforcement liability, public official's liability, employment practices liability, commercial automobile; crime and property coverage, cyber security; all with deductible or self-insured retentions. The City continually assesses its risks to determine the appropriate mix of self-insurance retention and policy coverage.

The City prepares its budgets with these financial policies in mind and maintains aggressive and effective budgetary controls to ensure compliance with these documents. Quarterly financial updates are presented to the City Council to apprise elected officials of any major variances that may arise. The City does not foresee any issues with its ability to comply with the current guidelines in the implementation of its near- and long-term initiatives.

Awards and Acknowledgements

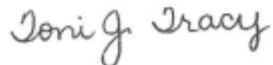
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City for its 2020 Annual Comprehensive Financial Report and for the five previous years. The City prepared an ACFR in these years, and we were honored to receive this recognition from the GFOA.

To be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents must conform to GFOA standards. This report must satisfy both generally acceptable accounting principles and applicable legal

requirements. A certificate of achievement is valid for a period of one year only. We believe that our current report continues to meet the certificates of achievement program's requirements and we are submitting this report to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the staff of the entire Finance Department which processes records and analyzes the thousands of transactions summarized herein. The assistance of all City departments, which provided information specific to their operations, is likewise appreciated. Our gratitude is extended to the City Manager, Mayor, and City Council for their continued support in enhancing the financial integrity of the City. Finally, we wish to thank our independent auditor, PKF O'Connor Davies, LLP, for their suggestions and input in preparing this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Toni J. Tracy".

Toni J. Tracy
Comptroller

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**FINANCIAL
SECTION**

Independent Auditors' Report

**The Honorable Mayor and Common Council
of the City of Peekskill, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Peekskill, New York ("City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Water, and Non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such

information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 1, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 21, 2023

City of Peekskill, New York

Management's Discussion and Analysis December 31, 2022

Introduction

On behalf of the management of the City of Peekskill, I am submitting this Management's Discussion and Analysis ("MD&A") as required by the Governmental Accounting Standards Board. The MD&A gives the City's Comptroller an opportunity to summarize the City's financial activity for the fiscal year ended December 31, 2022. This MD&A should be read in conjunction with the basic financial statements that immediately follow this section to enhance understanding of the City's financial performance.

Financial Highlights

The key financial highlights for fiscal year 2022 are as follows:

- In response to the continuation of COVID-19, for the year ending in 2022, the Common Council adopted a conservative budget which considered a great deal of uncertainty and risk associated with the pandemic, the economic impact of high real estate costs as well as supply chain issues.
- The City of Peekskill has a negative net position of \$77.34 million, an improvement of \$7.36 million since the end of 2021. The negative position is due to a cumulative effect of reporting Other Postemployment Benefits other than Pensions ("OPEB").
- Included in the government-wide financial statements are liabilities that represent estimates for 2022 other postemployment benefit obligations of \$129.19 million, net pension liabilities of \$1.35 million, future liability claims and workers compensation claims of \$3.21 million and landfill closure costs of \$1 million related to the former city dump. These amounts are required to be included in the government-wide statement of net position but are not treated as liabilities in the City's governmental fund financial statements. The unrestricted deficit as of December 31, 2022, of \$160.4 million is primarily due to the OPEB liability.
- The governmental funds have a fund balance of \$36.75 million on December 31, 2022; as compared to \$33.05 million on December 31, 2021, with increases noted in the Capital Projects Fund Balance, Water Fund assigned fund balance, and small decrease of \$700,000 in the overall General Fund fund balance. The General Fund also reflects a shift of \$1.3 million from unassigned to assigned fund balance.
- The City's long-term debt, consisting of bonds and notes payable, for all government activities totaled \$47.10 million on December 31, 2022, and \$48.44 million on December 31, 2021. The decrease is due to the principal payments of \$4.78 million, offset by a new capital lease agreement for equipment and vehicles in the amount of \$2.4 million and a legal settlement accrual of \$1 million.
- Included in the governmental fund balances as of December 31, 2022, is an assigned portion of the Water Fund of \$8.12 million and the Sewer Fund of \$2.88 million. As a prudent measure these funds are relied on as a cushion to maintain a stable tax levy and for unexpected emergencies.

- On December 31, 2022, the City committed a portion of its General Fund fund balance for specific purposes such as: New York State Retirement System expenditures, tax rate stabilization and tax certiorari payments. These earmarks enable management to meet unexpected increases in state mandated costs. The total amount of the General Fund committed is \$873,975, 1.93% of total operating expenses. In addition, the city restricts all Transfer Tax revenue for the Debt Service of the Central Fire House, with an outstanding principal balance due at the end of 2022 at \$11.03 million.
- The City's General Fund operating expenses are \$45.17 million for 2022 and \$40.30 million for 2021. Expenses for 2022 are \$471,308 less than budgeted, reflecting the department heads' diligent management of their budgets.
- The City's General Fund operating revenues are \$44.25 million for 2022 and \$43.75 million for 2021 exclusive of other financing sources. Revenue for 2022 exceeded the 2022 Adjusted Budget by \$723,712.
- Sales Tax revenue realized was \$6.59 million, resulting in a \$1.94 million favorable revenue variance in 2022. Transfer tax revenues continue to exceed budget, with a 2022 total of \$1.48 million.
- Real property taxes, payments in lieu of taxes and penalties and interest on taxes totaled \$25.15 million and \$25.34 million for 2022 and 2021, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains combined and individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City of Peekskill include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services, employee benefits and interest.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Projects, Water and Section 8 Housing Funds, which are considered to be major funds. The Sewer Fund, Recreation Fund, Special Purpose Fund, Community Development, Debt Service Fund and Permanent Fund are grouped together as non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts annual appropriated budgets for its General and Water Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the respective budgets.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs.

Notes to the Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the City's other post-employment benefit obligations, fire service awards funding progress, ambulance service awards funding progress, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities exceeded assets by \$77.34 million at the close of the current fiscal year, an improvement of \$7.36 million in net assets for 2022.

Net Position (in thousands)

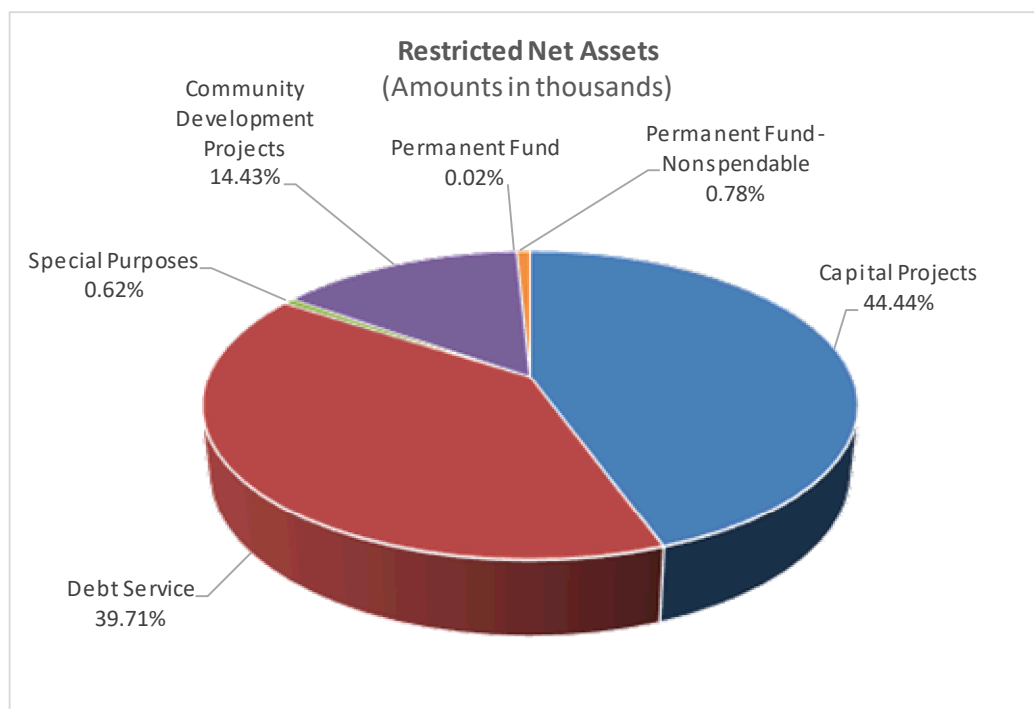
	December 31, 2022	December 31, 2021
Current Assets	\$ 51,641	\$ 44,035
Capital Assets, net	113,640	112,884
Total Assets	165,281	156,919
Deferred Outflows of Resources	37,608	45,181
Current Liabilities	8,755	7,888
Long-term Liabilities	190,463	243,959
Total Liabilities	199,218	251,847
Deferred Inflows of Resources	81,010	34,948
NET POSITION		
Net Investment in Capital Assets	70,265	64,160
Restricted	12,806	11,713
Unrestricted	(160,410)	(160,567)
Total Net Assets	\$ (77,339)	\$ (84,694)

One of the largest components of the City's net position is reflected in its investment in capital assets, net of related debt, amounting to \$70.27 million. The city uses these capital assets to

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

Restricted net assets of \$12.81 million represent resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (in thousands):

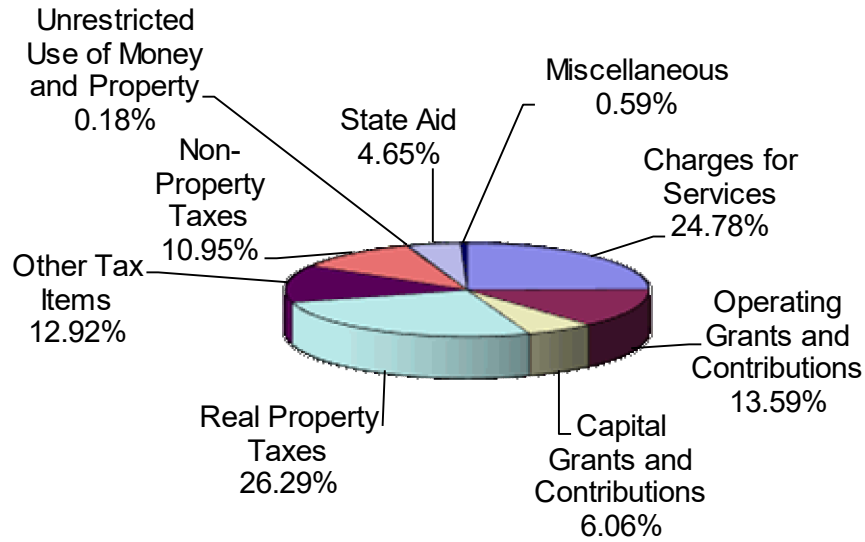
	2022	2021
Capital Projects	\$ 5,691	\$ 4,178
Debt Service	5,085	4,641
Special Revenue Fund:		
Special purposes	80	78
Community development	1,848	2,713
Permanent Fund	2	2
Permanent Fund - Nonexpendable	100	100
	<u>\$ 12,806</u>	<u>\$ 11,712</u>



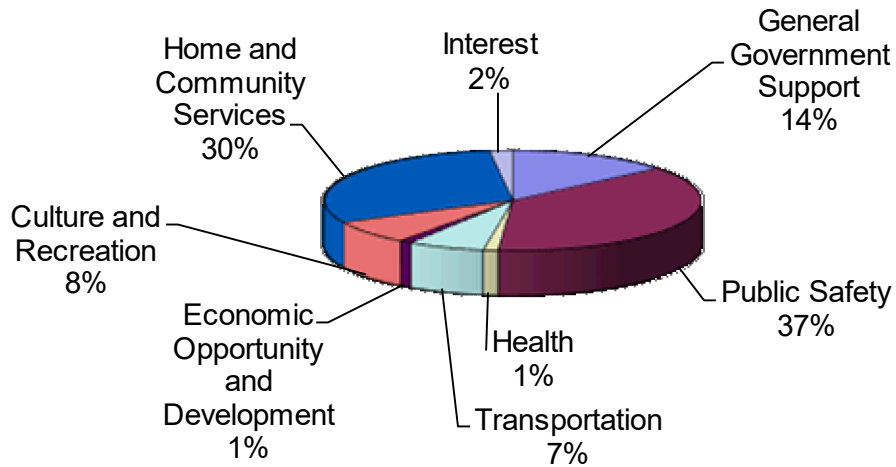
Changes in Net Position
(in thousands)

	<u>2022</u>	<u>2021</u>
Program Revenues:		
Charges for Services	\$ 16,982	\$ 15,559
Operating Grants and Contributions	9,317	8,838
Capital Grants and Contributions	4,153	4,903
General Revenues:		
Real Property Taxes	18,018	18,846
Other Tax items	8,856	8,641
Non-Property Taxes	7,508	6,780
Unrestricted Use of Money and Property	123	31
Unrestricted State Aid	3,187	3,161
Gain on Sale of Capital Assets	-	-
Miscellaneous	401	181
	<u>68,545</u>	<u>66,940</u>
Total Revenues		
Program Expenses:		
General Government Support	8,457	8,146
Public Safety	22,911	21,403
Health	764	232
Transportation	4,040	3,152
Economic Opportunity and Development	640	576
Culture and Recreation	4,660	4,044
Home and Community Services	18,489	18,456
Interest	1,228	1,361
	<u>61,189</u>	<u>57,370</u>
Total Expenses		
Change in Net Assets	<u>7,356</u>	<u>9,570</u>
Net Assets - Beginning, as reported	(84,694)	(86,603)
Prior Period Adjustment	<u>-</u>	<u>(7,661)</u>
Net Assets - Beginning, as restated	<u>(84,694)</u>	<u>(94,264)</u>
Net Assets - Ending	<u><u>\$ (77,339)</u></u>	<u><u>\$ (84,694)</u></u>

Sources of Revenue for Fiscal Year 2023 Governmental Activities



Sources of Expenses for Fiscal Year 2023 Governmental Activities



Governmental activities increased the City's net position by \$8.36 million in 2022. The total City governmental activities revenues in 2022 and 2021 were \$68.55 million and \$66.94 million, respectively. Real property taxes provided 26.10% of total revenues in 2022. Charges for services, operating grants and contributions, and capital grants and contributions provided 44.43% in 2022 and 43.76% in 2021. State aid provided 4.65% and 4.72% of total revenues for the fiscal years ended December 31, 2022, and 2021, respectively.

Governmental activities expenses of the city for the year totaled \$61.89 million in 2022 and \$57.37 million in 2021. Public Safety expenses accounted for the largest portion (\$22.91 million or 38.07% in 2022 and \$21.40 million or 37.31% in 2021), followed by Home and Community Services (\$18.49 million or 30.72% in 2022 and \$18.46 million or 32.17% in 2021) of total expenses.

Financial Analysis of the City's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36.75 million, an increase of \$3.70 million primarily due to the issuance of \$2.43 million in notes and increased water and sewer revenues.

The revenue categories that reflected positive variances as compared to the budget were: Non-Property Taxes, \$2,082,867, due to an increase in sales tax revenue; State Aid exceeded budgeted revenue by \$422,521 due to the real estate market and related mortgage tax received. Miscellaneous Revenue and Departmental Income had positive variances of \$260,730 and \$166,102.

The more notable negative budget to actual revenue variances were seen in Real Property Taxes, \$452,007 and Use of Money and Property (exclusive of Fire Service and Ambulance Service Award Programs) in the amount of \$362,941.

The expense categories that reflected the larger positive variances as compared to the budget were Home and Community Services in the amount of \$216,672, due to water and sewer rate increases; and Culture and Recreation, \$206,199, due to an increased number of programs and participants following the end of the pandemic. The Employee Benefits expense did show that it was spent in excess of the budget by \$149,324, due to NYS Employee Retirement System expenses.

Water Fund

The city owns two reservoirs and provides 1.5 billion gallons of water annually to residents. The city has a water treatment facility that operates around the clock to provide the highest quality water, at a reasonable cost, to its residents.

The city has approximately 4,700 water accounts that are billed on a quarterly basis. Metered Water revenue for 2022 and 2021 were \$8.56 million and \$7.92 million, respectively. Water rates are reviewed on an annual basis and compared to area averages.

Fund expenses from 2022 were \$6.96 million, increased \$560,000 from 2021 of \$6.40 primarily due to increased staff and materials. In 2017 the city implemented a city-wide advanced metering system, which included replacing over half of the water meters and installing electric monitors on all meters.

On December 31, 2022, the Assigned Fund Balance of the Water Fund was \$8.41 million, an increase from the 2021 balance of \$2.00 million. The \$2.02 million increase in the overall fund balance was due to a significant increase in departmental income (metered usage) and Sale of Property/Compensation for Loss.

Section 8 Housing Fund

Assigned Fund Balance

Section 8 actual units in which administrative fees were earned amounted to 553 units (474 units throughout their jurisdiction and 79 units Peekskill Plaza). Excess funds disbursed by the budget authority to PHAs that is not utilized to pay Housing Assistance Payments (HAP) will become part of the Assigned fund balance account in accordance with GAAP and may only be used to assist additional families up to the number of units under contract. HUD will closely monitor both overutilization and underutilization of funds and will take appropriate action to ensure appropriated funds are being used to serve as many families as possible up to the number of vouchers authorized under the program.

Administrative fees in excess of administrative expenses in calendar year 2022 are part of the unassigned fund balance account. These funds are still considered to be administrative fee reserves and are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155.

The assigned fund balance account also includes monies previously maintained in the ACC Reserve account including, but not limited to, interest income on HAP investments, and certain recoveries. The Section 8 Program does not have a family self-sufficiency program.

Capital Assets and Debt Administration

Capital Assets

The City's Net Capital Assets as of December 31, 2022, and 2021 amounted to \$113.64 million and \$112.88 million (net of accumulated depreciation) respectively. This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction-in-progress. The total increase in the City's investment in capital assets for the current fiscal year was \$760,000.

Capital Assets, Net of Accumulated Depreciation
(In 000's)

	2022	2021
Capital Assets not being depreciated:		
Land	\$ 11,202	\$ 11,202
Construction-in-Progress	15,896	11,739
Capital Assets being depreciated:		
Land Improvements, Net	18,670	20,002
Buildings and improvements, Net	61,567	63,948
Machinery and Equipment, Net	4,320	4,008
Infrastructure, Net	1,985	1,985
Total	<u>\$ 113,640</u>	<u>\$ 112,884</u>

Additional information on the City's capital assets can be found in Note 3.E of this report.

Long-Term Debt

At the end of the current fiscal year, the city had a total bond payable debt outstanding of \$46.10 million. All of this debt is backed by the full faith and credit of the city.

Outstanding General Obligation Serial Bonds and Notes
(In 000's)

Fund	2022	2021
General	\$ 29,730	\$ 30,064
Water	15,970	18,110
Sewer	395	264
Total	<u>\$ 46,095</u>	<u>\$ 48,438</u>

In February 2019 Moody's Investors Service ("Moody's") upgraded the City's bond rating from A1 to Aa3.

At the end of the current fiscal year, the city had a total Notes Payable outstanding of \$6.51 million which included a Bond Anticipation Note of \$1.75 million and Capital Leases of \$6.51 million.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt," may be issued without regard to the constitutional limit and without affecting the City's authority to issue debt subject to the limit. On December 31, 2022, the City of Peekskill had used \$46.09 million or 32.2% of the constitutional debt limit leaving 67.8% remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3.I in the notes to financial statements.

Requests for Information

This report is intended to provide a broad overview of the City of Peekskill's finances to its citizens and other stakeholders. If you desire additional information or have suggestions for improving this report, please contact:

Toni J. Tracy, Comptroller
City of Peekskill
840 Main Street
Peekskill, New York 10566
Or e-mail ttracy@cityofpeekskill.com

**BASIC FINANCIAL
STATEMENTS**

City of Peekskill, New York

Statement of Net Position
December 31, 2022

	Primary Government	Component Unit
	Governmental Activities	City of Peekskill Industrial Development Agency
ASSETS		
Cash and equivalents	\$ 33,088,648	\$ 1,214,275
Investments	3,087,954	-
Receivables		
Taxes	2,482,907	-
Accounts	1,477,088	-
Water rents	2,090,196	-
Sewer rents	498,153	-
State and Federal aid	2,418,537	-
Due from other governments	962,751	-
Due from fiduciary fund	339,220	-
Loans	781,210	-
Prepaid expenses	1,411,466	-
Net pension asset - ERS	2,800,189	-
Inventories	203,116	-
Capital assets		
Not being depreciated	27,097,895	308,750
Being depreciated, net	86,541,632	-
Total Assets	165,280,962	1,523,025
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	17,147,259	-
OPEB related	18,553,498	-
Length of service award programs	1,046,364	-
Deferred charge on refunding bonds	860,854	-
Total Deferred Outflows of Resources	37,607,975	-
LIABILITIES		
Accounts payable	1,974,786	2,933
Accrued liabilities	813,103	-
Bond anticipation notes payable	1,750,000	-
Due to component unit	48,727	-
Deposits payable	1,255,421	-
Employee payroll tax deductions	207,716	-
Unearned revenues	2,512,168	-
Accrued interest payable	192,620	-
Non-current liabilities		
Due within one year	5,789,051	-
Due in more than one year	184,674,412	-
Total Liabilities	199,218,004	2,933
DEFERRED INFLOWS OF RESOURCES		
Pension related	21,331,576	-
OPEB related	59,207,038	-
Length of service award programs	471,409	-
Total Deferred Inflows of Resources	81,010,023	-
NET POSITION		
Net investment in capital assets	70,264,977	308,750
Restricted for		
Capital projects	5,691,161	-
Community development	1,848,036	-
Debt service	5,084,483	-
Special Purpose	80,729	-
Permanent Fund	2,494	-
Permanent Fund - Nonexpendable	100,000	-
Unrestricted	(160,410,970)	1,211,342
Total Net Position	\$ (77,339,090)	\$ 1,520,092

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

City of Peekskill, New York

Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 8,457,473	\$ 2,669,827	\$ 1,200	\$ -
Public safety	22,911,119	1,215,000	(123,474)	-
Health	764,086	98,111	(123,741)	-
Transportation	4,039,683	1,061,076	-	1,290,298
Economic opportunity and development	640,379	41,531	138,714	-
Culture and recreation	4,660,621	750,951	305,804	-
Home and community services	18,488,920	11,145,943	9,118,131	2,846,280
Interest	1,228,209	-	-	16,187
Total Governmental Activities - Primary Government	<u>\$ 61,190,490</u>	<u>\$ 16,982,439</u>	<u>\$ 9,316,634</u>	<u>\$ 4,152,765</u>
Component Unit -				
City of Peekskill				
Industrial Development Agency	<u>\$ 72,645</u>	<u>\$ 57,320</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Gain on sale of tax acquired property				
Payments in lieu of taxes				
Real estate transfer tax				
Non-property taxes				
Non-property tax distribution from County				
Utilities gross receipts taxes				
Hotel tax				
Cable television franchise fees				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Miscellaneous				
Insurance recoveries				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning				
Ending				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	City of Peekskill Industrial Development Agency
\$ (5,786,446)	\$ -
(21,819,593)	-
(789,716)	-
(1,688,309)	-
(460,134)	-
(3,603,866)	-
4,621,434	-
(1,212,022)	-
(30,738,652)	-
-	(15,325)
18,017,913	-
366,542	-
589	-
7,009,872	-
1,479,430	-
6,594,211	-
436,926	-
246,969	-
229,761	-
79,854	3,462
42,983	-
3,187,158	-
301,406	-
99,953	-
38,093,567	3,462
7,354,915	(11,863)
(84,694,005)	1,531,955
\$ (77,339,090)	\$ 1,520,092

City of Peekskill, New York

Balance Sheet
Governmental Funds
December 31, 2022

	General	Capital Projects	Water
ASSETS			
Cash and equivalents	\$ 16,929,704	\$ 4,131,237	\$ 6,004,211
Investments	3,087,954	-	-
Taxes receivable, net of allowance for uncollectible amounts	2,482,907	-	-
Other receivables			
Accounts	477,088	-	-
Water rents	-	-	2,090,196
Sewer rents	-	-	-
State and Federal aid	1,765,717	652,820	-
Due from other governments	962,751	-	-
Loans	-	-	-
Due from other funds	1,572,331	-	635,086
Due from fiduciary fund	339,220	-	-
	5,117,107	652,820	2,725,282
Prepaid expenditures	1,283,403	-	93,042
Inventories	-	-	203,116
Total Assets	<u>\$ 28,901,075</u>	<u>\$ 4,784,057</u>	<u>\$ 9,025,651</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,376,422	\$ 37,875	\$ 528,342
Accrued liabilities	732,697	-	58,463
Bond anticipation notes payable	-	1,750,000	-
Due to component unit	48,727	-	-
Due to other funds	-	2,158,370	23,185
Deposits payable	1,255,421	-	-
Employee payroll deductions	207,716	-	-
Unearned revenues	2,512,168	-	-
Total Liabilities	6,133,151	3,946,245	609,990
Deferred inflows of resources			
Deferred tax revenues	1,746,393	-	-
Total Liabilities and Deferred Inflows of Resources	<u>7,879,544</u>	<u>3,946,245</u>	<u>609,990</u>
Fund balances			
Nonspendable	1,283,403	-	296,158
Restricted	8,893,314	837,812	-
Committed	873,975	-	-
Assigned	2,387,401	-	8,119,503
Unassigned	7,583,438	-	-
Total Fund Balances	<u>21,021,531</u>	<u>837,812</u>	<u>8,415,661</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,901,075</u>	<u>\$ 4,784,057</u>	<u>\$ 9,025,651</u>

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

Section 8 Housing	Community Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 199,299	\$ 1,848,036	\$ 3,976,161	\$ 33,088,648
-	-	-	3,087,954
-	-	-	2,482,907
-	-	-	477,088
-	-	-	2,090,196
-	-	498,153	498,153
-	-	-	2,418,537
-	-	-	962,751
-	781,210	-	781,210
-	-	-	2,207,417
-	-	-	339,220
-	781,210	498,153	9,774,572
-	-	35,021	1,411,466
-	-	-	203,116
<u>\$ 199,299</u>	<u>\$ 2,629,246</u>	<u>\$ 4,509,335</u>	<u>\$ 50,048,663</u>

\$ 147	\$ -	\$ 32,000	\$ 1,974,786
14,313	-	7,630	813,103
-	-	-	1,750,000
-	-	-	48,727
21,305	-	4,557	2,207,417
-	-	-	1,255,421
-	-	-	207,716
-	781,210	-	3,293,378
35,765	781,210	44,187	11,550,548
-	-	-	1,746,393
35,765	781,210	44,187	13,296,941
-	-	135,021	1,714,582
163,534	1,848,036	83,223	11,825,919
-	-	1,365,212	2,239,187
-	-	2,881,692	13,388,596
-	-	-	7,583,438
163,534	1,848,036	4,465,148	36,751,722
<u>\$ 199,299</u>	<u>\$ 2,629,246</u>	<u>\$ 4,509,335</u>	<u>\$ 50,048,663</u>

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City of Peekskill, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2022

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

Total Fund Balances - Governmental Funds	\$ 36,751,722
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	27,097,895
Capital assets - depreciable	137,155,568
Accumulated depreciation	(50,613,936)
	<u>113,639,527</u>
Differences between expected and actual experiences, assumptions changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflow of resources on the statement of net position.	
Deferred outflows - pension related	17,147,259
Deferred outflows - OPEB related	18,553,498
Deferred outflows - length of service awards programs	1,046,364
Deferred inflows - pension related	(21,331,576)
Deferred inflows - OPEB related	(59,207,038)
Deferred inflows - length of service awards programs	(471,409)
	<u>(44,262,902)</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Accounts receivable	1,000,000
Net pension asset - ERS	2,800,189
Real property taxes	1,746,393
Loans	781,210
	<u>6,327,792</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(192,620)
General obligation bonds payable	(39,575,000)
Notes payable	(6,508,007)
Retirement incentives and other pension obligations	(824,898)
Compensated absences	(3,088,965)
Total pension liability - Fire length of service awards program	(4,266,816)
Total pension liability - Ambulance length of service awards program	(1,264,096)
Net pension liability - PFRS	(1,345,040)
Landfill closure costs	(1,000,000)
Claims payable	(2,207,417)
Judgements	(1,000,000)
Total OPEB liability	(129,186,488)
	<u>(190,459,347)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Premium on general obligation of bonds	(196,736)
Deferred amounts on refunding	860,854
	<u>664,118</u>
Net Position of Governmental Activities	<u>\$ (77,339,090)</u>

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

City of Peekskill, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2022

	General	Capital Projects	Water	Section 8 Housing
REVENUES				
Real property taxes	\$ 17,777,993	\$ -	\$ -	\$ -
Other tax items	8,856,433	-	-	-
Non-property taxes	7,507,867	-	-	-
Departmental income	4,087,436	-	8,560,263	-
Charges for services	49,347	-	-	-
Use of money and property	62,059	-	-	-
Licenses and permits	765,574	-	-	-
Fines and forfeitures	1,004,174	-	-	-
Sale of property and compensation for loss	42,983	-	628,050	-
State aid	3,299,905	1,463,518	-	-
Federal aid	400,824	1,189,922	-	8,417,886
Miscellaneous	400,030	1,483,138	48,337	9,970
Total Revenues	44,254,625	4,136,578	9,236,650	8,427,856
EXPENDITURES				
Current				
General government support	4,923,525	-	-	-
Public safety	15,651,496	-	-	-
Health	607,932	-	-	-
Transportation	2,785,708	-	-	-
Economic opportunity and development	604,642	-	-	-
Culture and recreation	2,936,960	-	-	-
Home and community services	2,771,175	-	4,460,029	8,432,234
Employee benefits	11,587,647	-	-	-
Debt service				
Principal	2,508,083	-	2,140,000	-
Interest	792,815	-	362,800	-
Capital outlay	-	5,437,062	-	-
Total Expenditures	45,169,983	5,437,062	6,962,829	8,432,234
Excess (Deficiency) of Revenues Over Expenditures	(915,358)	(1,300,484)	2,273,821	(4,378)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	99,953	-	-	-
Notes issued	-	2,434,920	-	-
Transfers in	715,000	759,675	-	-
Transfers out	(600,000)	-	(250,000)	-
Total Other Financing Sources (Uses)	214,953	3,194,595	(250,000)	-
Net Change in Fund Balances	(700,405)	1,894,111	2,023,821	(4,378)
FUND BALANCES (DEFICITS)				
Beginning of Year	21,721,936	(1,056,299)	6,391,840	167,912
End of Year	\$ 21,021,531	\$ 837,812	\$ 8,415,661	\$ 163,534

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

Community Development	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 17,777,993
-	-	8,856,433
-	-	7,507,867
-	1,959,313	14,607,012
-	-	49,347
13,888	182	76,129
-	-	765,574
-	-	1,004,174
-	-	671,033
-	-	4,763,423
-	-	10,008,632
40,833	43,512	2,025,820
54,721	2,003,007	68,113,437
-	-	4,923,525
-	-	15,651,496
-	-	607,932
-	-	2,785,708
-	-	604,642
-	41,110	2,978,070
-	769,436	16,432,874
-	-	11,587,647
-	129,200	4,777,283
-	5,308	1,160,923
-	-	5,437,062
-	945,054	66,947,162
54,721	1,057,953	1,166,275
-	-	99,953
-	-	2,434,920
-	-	1,474,675
(98,000)	(526,675)	(1,474,675)
(98,000)	(526,675)	2,534,873
(43,279)	531,278	3,701,148
1,891,315	3,933,870	33,050,574
\$ 1,848,036	\$ 4,465,148	\$ 36,751,722

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City of Peekskill, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ 3,701,148
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	5,305,236
Depreciation expense	<u>(4,550,044)</u>
	<u>755,192</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	239,920
Departmental income	<u>(40,833)</u>
	<u>199,087</u>

Long-term debt proceeds provide current financial resources to governmental funds but issuing debt increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Notes issued	(2,434,920)
Principal paid on general obligation bonds	4,480,000
Principal paid on notes	<u>297,283</u>
	<u>2,342,363</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	39,131
Retirement incentives and other pension liabilities	644,170
Compensated absences	(1,414,956)
Changes in pension liabilities and related deferred outflows and inflows of resources	2,855,125
Changes in length of service awards program liabilities and related deferred outflows and inflows of resources	(325,727)
Claims	65,208
Judgements	(1,000,000)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(399,409)
Amortization of premium and loss on refunding	<u>(106,417)</u>
	<u>357,125</u>

Change in Net Position of Governmental Activities	<u>\$ 7,354,915</u>
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The notes to the financial statements are an integral part of this statement.

City of Peekskill, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended December 31, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 18,230,000	\$ 18,230,000	\$ 17,777,993	\$ (452,007)
Other tax items	8,806,651	8,806,651	8,856,433	49,782
Non-property taxes	5,425,000	5,425,000	7,507,867	2,082,867
Departmental income	3,875,650	3,921,334	4,087,436	166,102
Charges for services	140,000	140,000	49,347	(90,653)
Use of money and property	425,000	425,000	62,059	(362,941)
Licenses and permits	845,040	845,040	765,574	(79,466)
Fines and forfeitures	907,186	907,186	1,004,174	96,988
Sale of property and compensation for loss	11,000	11,000	42,983	31,983
State aid	2,877,384	2,877,384	3,299,905	422,521
Federal aid	1,455,000	1,803,018	400,824	(1,402,194)
Miscellaneous	139,300	139,300	400,030	260,730
Total Revenues	43,137,211	43,530,913	44,254,625	723,712
EXPENDITURES				
Current				
General government support	5,099,964	4,981,569	4,923,525	58,044
Public safety	14,768,676	15,707,719	15,651,496	56,223
Health	385,087	624,081	607,932	16,149
Transportation	2,434,738	2,806,865	2,785,708	21,157
Economic opportunity and development	478,877	650,830	604,642	46,188
Culture and recreation	2,800,018	3,143,159	2,936,960	206,199
Home and community services	3,033,838	2,987,847	2,771,175	216,672
Employee benefits	11,590,000	11,438,323	11,587,647	(149,324)
Debt service				
Principal	2,504,244	2,576,160	2,508,083	68,077
Interest	786,450	724,738	792,815	(68,077)
Total Expenditures	43,881,892	45,641,291	45,169,983	471,308
Excess (Deficiency) of Revenues Over Expenditures	(744,681)	(2,110,378)	(915,358)	1,195,020
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	65,000	65,000	99,953	34,953
Transfers in	823,000	823,000	715,000	(108,000)
Transfers out	(1,840,000)	(600,000)	(600,000)	-
Total Other Financing Sources (Uses)	(952,000)	288,000	214,953	(73,047)
Net Change in Fund Balances	(1,696,681)	(1,822,378)	(700,405)	1,121,973
FUND BALANCES				
Beginning of Year	1,696,681	1,822,378	21,721,936	19,899,558
End of Year	\$ -	\$ -	\$ 21,021,531	\$ 21,021,531

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
7,878,200	7,878,200	8,560,263	682,063
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	628,050	628,050
-	-	-	-
-	-	-	-
91,000	91,000	48,337	(42,663)
7,969,200	7,969,200	9,236,650	1,267,450
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,425,438	5,425,438	4,460,029	965,409
-	-	-	-
2,140,000	2,140,000	2,140,000	-
495,167	495,167	362,800	132,367
8,060,605	8,060,605	6,962,829	1,097,776
(91,405)	(91,405)	2,273,821	2,365,226
-	-	-	-
-	-	-	-
(250,000)	(250,000)	(250,000)	-
(250,000)	(250,000)	(250,000)	-
(341,405)	(341,405)	2,023,821	2,365,226
341,405	341,405	6,391,840	6,050,435
\$ -	\$ -	\$ 8,415,661	\$ 8,415,661

City of Peekskill, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

	<u>Custodial Fund</u>
ASSETS	
Real property taxes receivable for other governments	<u>\$ 19,922,021</u>
LIABILITIES	
Due to other governments	\$ 19,582,801
Due to other funds	<u>339,220</u>
Total Liabilities	<u>\$ 19,922,021</u>

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

City of Peekskill, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2022

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 58,927,736
DEDUCTIONS	
Payments of real property taxes to other governments	<u>58,927,736</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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City of Peekskill, New York

Notes to Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The City of Peekskill, New York ("City") was incorporated in 1940 and operates in accordance with its Charter and the various applicable laws of the State of New York. The City functions under a Common Council/Manager form of government. The Common Council serves as the legislative body responsible for overall operation. The City Manager serves as the chief executive officer and the City Comptroller serves as the chief financial officer. The City provides the following services to its residents; public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency, and financial accountability. Based upon the application of these criteria, the following component unit is included in the City's reporting entity because of its operational relationship with the City:

The City of Peekskill Industrial Development Agency ("Agency") is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the City's inhabitants. Agency Board members are appointed by the Common Council of the City and have complete responsibility for management of the Agency and accountability for fiscal matters. The City is not liable for Agency bonds or notes. The governing board of the Agency serves at the pleasure of the Common Council and, therefore, the primary government is considered able to impose its will on the Agency. Since the Agency does not provide services entirely or almost entirely to the City, the financial statements of the Agency have been reflected as a discretely presented component unit.

Complete financial statements of the component unit can be obtained from its administrative office at the address indicated below.

City of Peekskill Industrial Development Agency
840 Main Street
Peekskill, New York 10566

Note 1 - Summary of Significant Accounting Policies (Continued)

The following organizations are related to the City:

The City of Peekskill Local Development Corporation ("Corporation") is a public benefit corporation created to promote, coordinate and execute programs in the City aimed at improving the quality of life for the City's inhabitants. Members of the Corporation are appointed by the Common Council for a specified term. Corporation members have complete responsibility for management of the Corporation and accountability for fiscal matters. The City is not liable for Corporation bonds or notes.

The City of Peekskill Business Improvement District is an entity established by the Common Council to encourage and promote business development in the downtown area. A district management association is appointed by the Common Council for a specified term. Association members have complete responsibility for management and accountability for fiscal matters.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the City as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. The primary government is reported separately from the legally separate component unit.

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

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

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major

Note 1 - Summary of Significant Accounting Policies (Continued)

fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

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

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

Water Fund - The Water Fund is used to record the water utility operations of the City, which render services on a user charge basis to the general public. The major revenue of this fund is departmental income.

Section 8 Housing Fund - The Section 8 Housing Fund is used to account for resources received and used for housing assistance payment purposes. The major revenue of this fund is Federal aid.

Community Development Funds - The Community Development Funds are used to account for projects financed by entitlements from the U.S. Department of Housing and Urban Development.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the City, which render services on a user charge basis to the general public.

Recreation Fund - The Recreation Fund is established to account for fees received from local developers to be used for recreational facilities and park improvements.

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

Permanent Fund - The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement

Note 1 - Summary of Significant Accounting Policies (Continued)

incentives and other pension obligations, compensated absences, net pension liability, total pension liability, certain claims, landfill closure costs and other Postemployment benefits liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Component Unit

The component unit is presented on the basis of accounting that most accurately reflects its activities. The Agency is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

Investments (except Length of Service Award Program investments, which are discussed in Note 3A) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosure – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2022.

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

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. City and County taxes are due on April 1st with the first half payable without penalty until April 30th and the second half payable without penalty until October 31st. The City School District of Peekskill and Hendrick Hudson Central School District taxes for the period July 1st to June 30th are levied on July 1st and are due on July 1st with the first half payable without penalty until July 31st and the second half payable without penalty until February 28th. The City guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The City also has the responsibility for conducting in-rem foreclosure proceedings.

The City functions in both a fiduciary and guarantor relationship with the County of Westchester and the school districts with respect to the collection and payment of real property taxes levied by such jurisdictions. The County Charter provides for the City to collect County taxes and remit them as collected. However, the City must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, New York State law and the County charter provide that the City satisfy the warrants of the school districts by August 31st of the fiscal year following that year for which such taxes were levied. Thus, the City's fiduciary responsibility for school districts taxes is from the date of the levy until the respective due dates, at which time the City will satisfy its obligations, regardless of the amounts collected. County and school districts taxes collected prior to the satisfaction of the respective

Note 1 - Summary of Significant Accounting Policies (Continued)

warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

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

Due From/To Other Funds and Due From/To Fiduciary Fund - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Inventories - Inventories in the Water Fund are recorded at cost on a first-in, first-out basis and consist of materials and supplies for use by the Water Department. The cost is recorded as inventory at the time individual inventory items are purchased. The City uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

<u>Class</u>	<u>Life in Years</u>
Land Improvements	5-50
Buildings and Improvements	5-50
Machinery and Equipment	3-10
Infrastructure	5-50

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$20,380 for parking permits and \$2,491,788 in American Rescue Plan Act funds received in advance in the General Fund and \$781,210 for loans receivable in the Community Development Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The City reported deferred outflows of resources of \$860,854 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City reported deferred inflows of resources of \$1,746,393 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund. This

Note 1 - Summary of Significant Accounting Policies (Continued)

amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

The City also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, fire service award, and other postemployment benefit liabilities. These amounts are detailed in the discussion of the City's pension, fire service award, and other postemployment benefit liabilities in Note 3I.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

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

Total Pension Liability - Length of Service Award Programs - The total pension liabilities for the Fire Service Awards Program and the Ambulance Service Awards Program are presented in accordance with the provisions of GASB Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the City includes restricted for capital projects, community development, debt service, special purpose, permanent fund, and permanent fund – nonexpendable.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the City Council for amounts assigned for balancing the subsequent year's budget or the City Comptroller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 21, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) The various operating departments generally submit their requests for the ensuing year's appropriations in August.
- b) During August and September, these requests are reviewed by the City Manager and Comptroller.
- c) The Charter requires the budget to be presented to the Common Council by October 1st.
- d) The Common Council sets a date for a public hearing, which is generally in November.
- e) After the public hearing, the Common Council adopts the budget, which may not be later than December 1st.
- f) Formal budgetary integration is employed during the year as a management control device for General, Water and Sewer funds.
- g) Budgets for General, Water and Sewer funds are legally adopted annually on a basis consistent with generally accepted accounting principles. Capital Projects funds are budgeted on a project basis. Annual budgets are not adopted for the Recreation, Special Purpose, Community Development, Section 8 Housing and Permanent funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The City Charter has established legislative legal control of the budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, require approval by the Common Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Common Council.
- i) Appropriations in General, Water and Sewer funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Common Council.

B. Property Tax Limitations

The amount that may be raised by the City for real property taxes in any fiscal year for purposes other than for debt service on City indebtedness, is limited by the Constitution of the State of New York, to two percent of the five year average full valuation of taxable real estate located within the City. For 2022, the maximum amount which could have been raised was \$39,983,138 which exceeded the levy by \$21,753,138.

Note 2 - Stewardship, Compliance and Accountability (Continued)

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof. The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City. The Common Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Common Council first enacts, by a vote of at least sixty percent of the total voting power of the Common Council, a local law to override such limit for such coming fiscal year.

C. New Accounting Pronouncements

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are financing of the "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the City's fiscal year ended December 31, 2022. The City completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

D. Expenditures in Excess of Budget

The following functional expenditure categories exceed their budgetary authorization by the amounts indicated:

	<u>Amount</u>
General Fund	
General Government Support	
Common Council	\$ 4,833
Employee Benefits	
State retirement	149,464
Debt Service	
Interest Notes	68,077

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

In addition, the following capital projects exceeded their budgetary authorizations by the amounts indicated:

City Hall - 2015 Equipment	\$ 18,429
City Hall - 2019 Equipment	236,612
Park Maintenance	576
Street Paving	863,978
Water Meter Upgrade	76,400
Central Firehouse	1,574,511
Purchase Lower South Street	1,970
Hollowbrook Pump Station	41,491
Fleishchman Pier	11,706
Peekskill Multi Use Trail	41,333
Louisa Street CDBG	82,524
Clean Water Grant	25,000
Vehicle Charging Stations	1,432

E. Capital Projects Fund Deficits

Deficits arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipts or issuance of authorized financing. The following projects have a deficit fund balance:

City Hall - Computer Upgrade	\$ 212,768
City Hall - 2015 Equipment	18,429
Park Maintenance	578
Street Paving	211,158
Water Meter Upgrade	76,400
Central Firehouse	1,574,511
Purchase of Lower South Street	1,970
Hollowbrook Pump Station	41,491
Fleishchman Pier	11,706
Peekskill Multi Use Trail	91,332
Louisa Street CDBG	82,524
Clean Water Grant	25,000
Vehicle Charging Stations	1,432
Main Street Streetscape	219,830
4 Nelson Ave Roof Replacement	658,006
Downtown Revitalization Fund	15,000
DRI Civic Hub	52,762
DRI Pugsley & Monument Park	25,885

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds

A. Investments

The City had the following investments with average maturities and credit ratings as follows.

Ambulance Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bond funds	\$ 119,068	\$ -	\$ -	\$ 24,267	\$ 94,801	\$ -
Common stock	255,466	255,466	-	-	-	-
Corporate bonds	225,666	-	-	169,813	55,853	-
U.S. and international equities funds	256,494	256,494	-	-	-	-
	<u>\$ 856,694</u>	<u>\$ 511,960</u>	<u>\$ -</u>	<u>\$ 194,080</u>	<u>\$ 150,654</u>	<u>\$ -</u>

Type of investment	Fair Value	N/A	A or Better	BB
Bond funds	\$ 119,068	\$ -	\$ 119,068	\$ -
Common stock	255,466	255,466	-	-
Corporate bonds	225,666	-	169,813	55,853
U.S. and international equities funds	256,494	256,494	-	-
	<u>\$ 856,694</u>	<u>\$ 511,960</u>	<u>\$ 288,881</u>	<u>\$ 55,853</u>

Fire Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bond funds	\$ 1,490,151	\$ 927,031	-	162,127	331,505	69,488
Common stock	352,371	352,371	-	-	-	-
Corporate bonds	137,581	-	-	-	137,581	-
Insurance contracts	72,785	72,785	-	-	-	-
U.S. and international equities funds	178,372	178,372	-	-	-	-
	<u>\$ 2,231,260</u>	<u>\$ 1,530,559</u>	<u>\$ -</u>	<u>\$ 162,127</u>	<u>\$ 469,086</u>	<u>\$ 69,488</u>

Type of investment	Fair Value	N/A	A or Better	BBB	BB	B
Bond funds	\$ 1,490,151	\$ 803,199	\$ 331,505	355,447	-	-
Common stock	352,371	352,371	-	-	-	-
Corporate bonds	137,581	-	-	137,581	-	-
Insurance contracts	72,785	72,785	-	-	-	-
U.S. and international equities funds	178,372	178,372	-	-	-	-
	<u>\$ 2,231,260</u>	<u>\$ 1,406,727</u>	<u>\$ 331,505</u>	<u>\$ 493,028</u>	<u>\$ -</u>	<u>\$ -</u>

Total Investments \$ 3,087,954

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)**B. Property Taxes Receivable**

Taxes receivable at December 31, 2022 consisted of the following:

City Taxes	\$ 1,511,270
County Taxes	261,525
School Districts Taxes	977,797
Installment agreements	14,482
Allowance of uncollectible taxes	<u>(282,167)</u>
	<u><u>\$ 2,482,907</u></u>

Taxes in the fund financial statements are also partially offset by deferred tax revenues of \$1,746,393, which is an estimate of the taxes that will not be collected within the first sixty days of the subsequent year

C. Loans Receivable

Loans receivable of \$781,210 reported in the Community Development Fund as of December 31, 2022 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program and Commercial Loan Program. The repayment terms and interest rates of each loan vary.

D. Due From/To Other Funds and Due From/To Fiduciary Fund

The composition of due from/to other funds and due from/to fiduciary funds at December 31, 2022 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,911,551	\$ 48,727
Capital Projects	-	2,158,370
Water	635,086	23,185
Section 8 Housing	-	21,305
Non-Major Governmental	-	4,557
Fiduciary	-	339,220
Due to component unit	<u>48,727</u>	<u>-</u>
	<u><u>\$ 2,595,364</u></u>	<u><u>\$ 2,595,364</u></u>

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

E. Capital Assets

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

Class	Balance, January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets, not being depreciated:				
Land	\$ 11,201,915	\$ -	\$ -	\$ 11,201,915
Construction-in-progress	11,738,782	4,157,198	-	15,895,980
Total Capital Assets, Not Being Depreciated	<u>\$ 22,940,697</u>	<u>\$ 4,157,198</u>	<u>\$ -</u>	<u>\$ 27,097,895</u>
Capital Assets, being depreciated:				
Land improvements	\$ 29,574,655	\$ -	\$ -	\$ 29,574,655
Buildings and improvements	77,346,154	-	-	77,346,154
Machinery and equipment	13,298,212	1,148,038	589,695	13,856,555
Infrastructure	16,378,204	-	-	16,378,204
Total Capital Assets, Being Depreciated	<u>136,597,225</u>	<u>1,148,038</u>	<u>589,695</u>	<u>137,155,568</u>
Less Accumulated Depreciation for:				
Land improvements	9,571,723	1,333,746	-	10,905,469
Buildings and improvements	13,398,269	2,380,664	-	15,778,933
Machinery and equipment	9,290,347	835,634	589,695	9,536,286
Infrastructure	14,393,248	-	-	14,393,248
Total Accumulated Depreciation	<u>46,653,587</u>	<u>4,550,044</u>	<u>589,695</u>	<u>50,613,936</u>
Governmental bonds				
Total Capital Assets, Being Depreciated, Net	<u>\$ 89,943,638</u>	<u>\$ (3,402,006)</u>	<u>\$ -</u>	<u>\$ 86,541,632</u>
Capital Assets, Net	<u>\$ 112,884,335</u>	<u>\$ 755,192</u>	<u>\$ -</u>	<u>\$ 113,639,527</u>

Depreciation expense was charged to City functions and programs as follows:

General Government Support	\$ 2,122,139
Public Safety	539,687
Transportation	480,572
Culture and Recreation	382,677
Home and Community Services	<u>1,024,969</u>
Total Depreciation Expense	<u>\$ 4,550,044</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets – Component Units

Changes in the Agency's (component unit) capital assets are as follows:

Class	Balance at January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets, not being depreciated:				
Land	\$ 308,750	\$ -	\$ -	\$ 308,750

F. Accrued Liabilities

Accrued liabilities at December 31, 2022 were as follows:

	General Fund	Water Fund	Section 8 Housing Fund	Non-Major Governmental Funds	Total
Payroll and Employee					
Benefits	\$ 728,768	\$ 58,463	\$ 14,313	\$ 7,630	\$ 809,174
Other	3,929	-	-	-	3,929
	<u>\$ 732,697</u>	<u>\$ 58,463</u>	<u>\$ 14,313</u>	<u>\$ 7,630</u>	<u>\$ 813,103</u>

G. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2022	New Issue	Redemptions	Balance December 31, 2022
Capital Projects Fund - Various Capital Projects	2021	08/25/22	1.00 %	\$ 1,850,000	\$ -	\$ 1,850,000	\$ -
Capital Projects Fund - Various Capital Projects	2022	08/24/23	3.00 %	-	1,750,000	-	1,750,000
				<u>\$ 1,850,000</u>	<u>\$ 1,750,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,750,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Project Fund. Bond anticipation notes issued for judgements or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgements be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principle are made. Interest expense of \$30,735 was recorded in the government-

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

wide financial statements and interest expenditures of \$18,500 were recorded in the General Fund.

I. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
General Obligation Bonds Payable					
Bonds Payable					
Capital construction	\$ 43,275,000	\$ -	\$ 4,100,000	\$ 39,175,000	\$ 4,215,000
Other	780,000	-	380,000	400,000	200,000
	44,055,000	-	4,480,000	39,575,000	4,415,000
Plus					
Unamortized premium on bonds	219,272	-	22,536	196,736	-
	44,274,272	-	4,502,536	39,771,736	4,415,000
Notes Payable	4,370,370	2,434,920	297,283	6,508,007	573,973
Other Non-Current Liabilities					
Retirement Incentives and					
Other Pension Obligations	1,469,068	-	644,170	824,898	270,078
Compensated Absences	1,674,009	1,581,956	167,000	3,088,965	309,000
Total Pension Liability - Fire Length					
of service awards program	4,394,829	55,227	183,240	4,266,816	-
Total Pension Liability - Ambulance Length					
of service awards program	1,286,155	127,399	149,458	1,264,096	-
Net Pension Liability - ERS	34,256	-	34,256	-	-
Net Pension Liability - PFRS	4,047,671	-	2,702,631	1,345,040	-
Landfill Closure Costs	1,000,000	-	-	1,000,000	-
Claims Payable	2,272,625	340,922	406,130	2,207,417	221,000
Judgements	-	1,000,000	-	1,000,000	-
Other Postemployment					
Benefit Liability	179,135,436	8,988,161	58,937,109	129,186,488	-
Total Other Non-					
Current Liabilities	195,314,049	12,093,665	63,223,994	144,183,720	800,078
Total Long-Term Liabilities	\$ 243,958,691	\$ 14,528,585	\$ 68,023,813	\$ 190,463,463	\$ 5,789,051

Each governmental fund's liability for bonds, notes, retirement incentives and other pension obligation, compensated absences, net pension liability, landfill closure costs, certain claims and other postemployment benefit obligations is liquidated by the General, Water and Sewer funds.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General Obligation Bonds payable at December 31, 2022 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2022
Other Purpose	2013	\$ 1,820,700	June, 2024	3.000-3.250 %	\$ 400,000
Public Improvements	2013	8,465,000	June, 2033	2.000-3.000	5,350,000
Public Improvements Refunding Bonds	2014	3,270,000	May, 2023	2.500-2.750	395,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	16,390,000	October, 2028	4.677-4.805	7,905,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	9,735,000	March, 2028	4.546-4.754	4,915,000
Public Improvements	2017	14,610,000	September, 2037	2.250-3.000	11,025,000
Public Improvements Refunding Bonds	2017	12,810,000	December, 2040	2.250-3.000	9,585,000
					<u>\$ 39,575,000</u>

Interest expenditures of \$654,942, \$362,800 and \$5,308 were recorded in the fund financial statements in the General, Water and Sewer funds, respectively. Interest expense of \$1,078,101 was recorded in the government-wide financial statements.

Notes Payable

During 2020, the City entered into a note agreement to finance vehicles and an energy performance contract. The terms of the vehicles agreement provided for the repayment of the principal amount of \$323,062, with an average annual installments of \$115,312, including interest, with maturity in 2022. The terms of the energy performance contract agreement provided for the repayment of the principal amount of \$4,479,950, with an average annual installment of \$145,123, including interest, with maturity in 2039.

During 2022, the City entered into a note agreement to finance vehicles. The terms of the vehicles agreement provided for the repayment of the principal amount of \$2,434,920, with an average annual installments of \$443,514 including interest, with maturity in 2026.

Interest expenses/expenditures of \$119,373 were recorded in the General Fund financial statements and the government-wide financial statements.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonds and notes outstanding as of December 31, 2022 including interest payments of \$7,839,604 are as follows:

Year Ending December 31,	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,415,000	\$ 898,868	\$ 573,973	\$ 170,885	\$ 4,988,973	\$ 1,069,753
2024	4,090,000	803,622	588,766	156,091	4,678,766	1,069,753
2025	3,945,000	692,848	603,942	140,916	4,548,942	959,713
2026	4,105,000	575,937	545,889	125,348	4,650,889	833,764
2027	4,150,000	499,868	538,386	111,209	4,688,386	701,285
2028-2032	10,920,000	1,823,301	1,749,497	372,584	12,669,497	2,195,885
2033-2037	6,425,000	737,925	1,324,963	181,755	7,749,963	919,680
2038-2040	1,525,000	69,675	582,591	20,096	2,107,591	89,771
	<u>\$ 39,575,000</u>	<u>\$ 6,102,044</u>	<u>\$ 6,508,007</u>	<u>\$ 1,278,884</u>	<u>\$ 46,083,007</u>	<u>\$ 7,839,604</u>

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

Legal Debt Margin

The City is subject to legal limitations on the amount of debt that it may issue. The City legal debt margin is 10% of the most recent full valuation of taxable real property.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective New York State and Local Employees' Retirement System ("ERS") and New York State and Local Police and Fire Retirement System ("PFRS") contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The City has elected to amortize the maximum allowable ERS and PFRS contributions in each fiscal year beginning in 2012 through 2015.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012 ERS	\$ 574,934	\$ 65,438	\$ -	\$ -
2012 PFRS	564,252	64,222	-	-
2013 ERS	512,112	46,424	150,010	48,169
2013 PFRS	760,826	68,970	222,862	71,563
2014 ERS	533,602	46,493	202,825	48,120
2014 PFRS	424,594	36,995	161,390	38,290
2015 ERS	412,640	34,731	191,680	35,881
2015 PFRS	322,636	27,156	149,872	28,055
Total	4,105,596	390,429	1,078,639	270,078
ERS Graded Payment	-	253,741	(253,741)	-
	<u>\$ 4,105,596</u>	<u>\$ 644,170</u>	<u>\$ 824,898</u>	<u>\$ 270,078</u>

The current year payments, including interest, were charged to retirement expenditures in the funds identified below:

Fund	ERS	PFRS	Total
General	\$ 369,791	\$ 223,045	\$ 592,836
Water	61,837	-	61,837
Sewer	19,368	-	19,368
Section 8 Housing	21,399	-	21,399
	<u>\$ 472,395</u>	<u>\$ 223,045</u>	<u>\$ 695,440</u>

Compensated Absences

City employees earn vacation leave based upon the terms of their respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination to those who have completed one full year of service. No vacation leave may be carried over or accrued without the written authorization of the City Manager. Sick days are allowed to be accumulated up to 200 days. Employees of the City, upon separation of service, who have accumulated a minimum 50 sick days, are compensated for 30% of their accumulated unused sick days above 50 days, computed at the employee's current rate of pay at the time of separation. The value of the compensated absences has been reflected in the government-wide financial statements.

I. Defined Benefit - Fire Service Awards Program

The City's financial statements are for the year ended December 31, 2022. The information contained in this note is based on information for the City of Peekskill Volunteer Fire Department Length of Service Award Program for the program year ending on December 31, 2021, which is the most recent program year for which complete information is available. The Program is

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

accounted for in the City's financial statements within the Fire Service Awards Program Sub-Fund.

Plan description

The City established a defined benefit Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2000 for the active volunteer firefighter members of the City of Peekskill Volunteer Fire Department. This is a single employer defined benefit plan. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The City is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the City on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity.

Benefits provided

The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the City Council, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the City from the General Fund. Separate financial statements are not issued by the Program.

Participants covered by the benefit terms.

At the December 31, 2021 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	50
Inactive participants entitled to but not yet receiving benefits payments	26
Active participants	<u>54</u>
Total	<u><u>130</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Contributions

New York State General Municipal Law §219(d) requires the City to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the City.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2021 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

Mortality rates were based on RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate. The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/21 measurement date	\$ 4,394,829
Service cost	49,596
Interest	84,009
Changes in assumptions or other inputs	(189,005)
Differences between expected and actual experience	110,627
Benefit payments	<u>(183,240)</u>
Balance as of 12/31/22 measurement date	<u><u>\$ 4,266,816</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the City as of the December 31, 2021 measurement date, calculated using the discount rate of 2.24%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.24%) or 1-percentage point higher (3.24%) than the current rate:

	1% Decrease (1.24%)	Current Discount Rate (2.24%)	1% Increase (3.24%)
Total Pension Liability	<u>\$ 4,927,524</u>	<u>\$ 4,266,816</u>	<u>\$ 3,737,123</u>

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

For the year ended December 31, 2022, the City recognized pension expense of \$409,298 in the Government-wide financial statements. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,199	\$ -
Changes of assumptions or other inputs	317,585	131,731
Benefit payments & administrative expenses subsequent to the measurement date	<u>204,353</u>	<u>-</u>
	<u>\$ 615,137</u>	<u>\$ 131,731</u>

\$204,353 reported as deferred outflows of resources related to pensions resulting from City transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2023.

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 December 31,	
2023	\$ 240,316
2024	45,862
2025	<u>(7,125)</u>
	<u>\$ 279,053</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Defined Benefit - Ambulance Service Awards Program

The City's financial statements are for the year ended December 31, 2022. The information contained in this note is based on information for the Peekskill Community Volunteer Ambulance Corps, Inc. Service Award Program for the program year ending on December 31, 2021, which is the most recent program year for which complete information is available. The Program is accounted for in the City's financial statements within the Ambulance Service Awards Program Sub-Fund.

Plan description

The City, pursuant to Article 11-AAA of General Municipal Law and legislative resolution, established a Service Awards Program (Program) for volunteer members of the Peekskill Community Volunteer Ambulance Corps, Inc. effective January 1, 2003 for active volunteer ambulance members. This Program is a single employer defined benefit plan.

Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant upon attainment of entitlement age (the later of age 65 or the participant's age after earning five years of service credit) shall be able to receive their service award, payable in the form of a ten-year monthly payment life annuity.

Benefits provided

The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The Program also provides disability and death benefits.

Participants covered by the benefit terms.

At the December 31, 2021 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	4
Inactive participants entitled to but not yet receiving benefits payments	11
Active participants	<u>59</u>
Total	<u><u>74</u></u>

Contributions

New York State General Municipal Law §219(d) requires the City to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the City.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2022 measurement date was determined using an actuarial valuation as of that date.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

Mortality rates were based on RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP2020.

Discount Rate. The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/20 measurement date	\$ 1,286,155
Service cost	100,728
Interest	26,671
Changes in assumptions or other inputs	(85,644)
Differences between expected and actual experience	(53,894)
Benefit payments	<u>(9,920)</u>
Balance as of 12/31/21 measurement date	<u><u>\$ 1,264,096</u></u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the City as of the December 31, 2021 measurement date, calculated using the discount rate of 2.24%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.24%) or 1-percentage point higher (3.24%) than the current rate:

	1% Decrease (1.24%)	Current Discount Rate (2.24%)	1% Increase (3.24%)
Total Pension Liability	<u>\$ 1,568,587</u>	<u>\$ 1,264,096</u>	<u>\$ 1,031,280</u>

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

For the year ended December 31, 2022, the City recognized pension expense of \$135,625 in the Ambulance Service Award Fund. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,927	\$ 146,143
Changes of assumptions or other inputs	388,458	193,535
Benefit payments & administrative expenses subsequent to the measurement date	14,842	-
	<u>\$ 431,227</u>	<u>\$ 339,678</u>

\$14,842 reported as deferred outflows of resources related to pensions resulting from City transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2023.

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

<u>Year Ended December 31,</u>	
2023	\$ 3,754
2024	3,754
2025	3,754
2026	3,754
2027	3,754
Thereafter	57,937
	<u>\$ 76,707</u>

Pension Plans

New York State and Local Employees' Retirement System

The City participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	13.0%
	4 A15	13.0
	5 A15	11.1
	6 A15	8.2
PFRS	2 384D	29.0%
	2 384E	30.2
	3 A14PF	29.7
	5 384D	25.0
	6 384D	20.2
	6 384E	20.5

On December 31, 2022, the City reported the following for its proportionate share of the net pension liability (asset) for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2022	March 31, 2022
Net pension liability (asset)	\$ (2,800,189)	\$ 1,345,040
City's proportion of the net pension liability (asset)	0.0342548%	0.2367843%
Change in proportion since the prior measurement date	(0.0001478%)	0.0036606%

The net pension liability (asset) was measured as of March 31, 2022 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on a computation of

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2022, the City recognized its proportionate share of pension expense in the government-wide financial statements of (\$107,531) for ERS and \$905,623 for PFRS. Pension expenditures of \$1,273,715 for ERS and \$2,379,502 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Fund	ERS	PFRS
General	\$ 898,860	\$ 2,379,502
Water	220,042	-
Sewer	113,183	-
Section 8 Housing	41,630	-
Total	<u>\$ 1,273,715</u>	<u>\$ 2,379,502</u>

At December 31, 2022, the City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 212,062	\$ 275,057	\$ 725,121	\$ -	\$ 937,183	\$ 275,057
Changes of assumptions	4,673,201	78,855	8,050,358	-	12,723,559	78,855
Net difference between projected and actual earnings on pension plan investments	-	9,169,445	-	11,301,852	-	20,471,297
Changes in proportion and differences between City contributions and proportionate share of contributions	92,350	182,090	133,604	324,277	225,954	506,367
City contributions subsequent to the measurement date	<u>1,181,797</u>	<u>-</u>	<u>2,078,766</u>	<u>-</u>	<u>3,260,563</u>	<u>-</u>
	<u>\$ 6,159,410</u>	<u>\$ 9,705,447</u>	<u>\$ 10,987,849</u>	<u>\$ 11,626,129</u>	<u>\$ 17,147,259</u>	<u>\$ 21,331,576</u>

\$1,181,797 and \$2,078,766 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the City's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2023	\$ (704,960)	\$ (574,130)
2024	(1,069,783)	(941,532)
2025	(2,435,554)	(2,694,521)
2026	(517,537)	1,466,800
2027	-	26,337
	<u>\$ (4,727,834)</u>	<u>\$ (2,717,046)</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the March 31, 2022 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

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

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

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

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

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	0.00
Cash	1	(1.00)
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7%

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 7,207,655</u>	<u>\$ (2,800,189)</u>	<u>\$ (11,171,268)</u>
City's proportionate share of the PFRS net pension liability (asset)	<u>\$ 14,961,498</u>	<u>\$ 1,345,040</u>	<u>\$ (9,925,772)</u>

The components of the collective net pension liability (asset) as of the March 31, 2022 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 223,874,888,000	\$ 42,237,292,000	\$ 266,112,180,000
Fiduciary net position	<u>232,049,473,000</u>	<u>41,669,250,000</u>	<u>273,718,723,000</u>
Employers' net pension liability	<u>\$ (8,174,585,000)</u>	<u>\$ 568,042,000</u>	<u>\$ (7,606,543,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>98.66%</u>	<u>102.86%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2022 were \$1,181,797 and \$2,078,766, respectively.

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

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

Landfill Closure Costs

State and Federal laws and regulations require the closure of the former City landfill site. The amount of \$1,000,000 is reported as a landfill closure costs liability in the government-wide financial statements at December 31, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Claims Payable

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

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	General Liability and Casualty	Workers' Compensation	General Liability and Casualty	Workers' Compensation
Balance - Beginning of Year	\$ 1,661,795	\$ 610,830	\$ 1,781,433	\$ 691,239
Provision for Claims and Claims Adjustment Expenses	308,954	31,968	282,612	(7,193)
Claims and Claims Adjustment Expenses Paid	(334,901)	(71,229)	(402,250)	(73,216)
Balance - End of Year	<u>\$ 1,635,848</u>	<u>\$ 571,569</u>	<u>\$ 1,661,795</u>	<u>\$ 610,830</u>
Due Within One Year	<u>\$ 164,000</u>	<u>\$ 57,000</u>	<u>\$ 166,000</u>	<u>\$ 61,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability ("OPEB")

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

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	204
Active employees	176
	<hr/>
	380
	<hr/>

The City's total OPEB liability of \$129,186,488 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	3.00%
Discount rate	4.18%
Healthcare cost trend rates	7.0% for 2022, decreasing by up to .25% per year to an ultimate rate of 4.5% for 2041
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the average of the Bond Buyer 20 year Bond GO, S&P Municipal Bond 20 year High Grade Rate Index, and Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the January 1, 2022 valuation for turnover and retirement for ERS and PFRS were based on the 2020 tables released in 2021.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The City's change in the total OPEB liability for the year ended December 31, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 179,135,436
Service cost	1,597,284
Interest	7,390,877
Changes in assumptions or other inputs	(54,296,708)
Benefit payments	<u>(4,640,401)</u>
Total OPEB Liability - End of Year	<u><u>\$ 129,186,488</u></u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current discount rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB Liability	<u><u>\$ 153,618,399</u></u>	<u><u>\$ 129,186,488</u></u>	<u><u>\$ 110,514,280</u></u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Total OPEB Liability	<u><u>\$ 109,525,283</u></u>	<u><u>\$ 129,186,488</u></u>	<u><u>\$ 155,039,110</u></u>

For the year ended December 31, 2022, the City recognized OPEB expense of \$5,039,810 in the government-wide financial statements. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u><u>\$ 18,553,498</u></u>	<u><u>\$ 59,207,038</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
 December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended December 31,	
2023	\$ (4,517,060)
2024	(4,517,060)
2025	(4,517,060)
2026	(4,517,060)
2027	(4,517,060)
Thereafter	<u>(18,068,240)</u>
	<u><u>\$ (40,653,540)</u></u>

J. Revenues and Expenditures**Interfund Transfers**

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

Transfers Out	Transfers In		
	General Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 600,000	\$ 600,000
Water Fund	250,000	-	250,000
Community Development	98,000	-	98,000
Non-Major Governmental Funds	<u>367,000</u>	<u>159,675</u>	<u>526,675</u>
	<u><u>\$ 715,000</u></u>	<u><u>\$ 759,675</u></u>	<u><u>\$ 1,474,675</u></u>

Transfers are used to 1) move revenues from the Debt Service Fund to the General Fund as debt service principal and interest payments become due, 2) move amount earmarked in the Water Fund to fulfill commitments budgeted in the General Fund, 3) move amounts earmarked in the operating funds to fulfill commitments for the Capital Projects Fund and 4) move funds from the Section 8 Fund to reimburse the General Fund for administrative costs.

Note 3 - Detailed Notes on All Funds (Continued)

K. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2022, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 135,393
Water Fund	299,885
Non-Major Governmental Funds	<u>55,589</u>
Total	<u>\$ 490,867</u>

L. Net Position

The components of net position are detailed below:

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects.

Restricted for Community Development - the component of net position that reports the difference between assets and liabilities for the Community Development Fund with constraints placed on their use by external parties and/or statute.

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

Restricted for Special Purpose - the component of net position that reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

Restricted for Permanent Fund - the component of net position that reports the non-spendable, or principal, portion of a non-expendable trust.

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

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

M. Fund Balance

	2022						
	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds	Total
Nonspendable							
Prepaid expenditures	\$ 1,283,403	\$ -	\$ 93,042	\$ -	\$ -	\$ 35,021	\$ 1,411,466
Inventories	-	-	203,116	-	-	-	203,116
Permanent fund	-	-	-	-	-	100,000	100,000
Total Nonspendable	1,283,403	-	296,158	-	-	135,021	1,714,582
Restricted							
Liability and casualty claims	357,024	-	-	-	-	-	357,024
Workers compensation	250,109	-	-	-	-	-	250,109
Capital projects	-	837,812	-	-	-	-	837,812
Debt service	16,187	-	-	-	-	-	16,187
Debt service - Fire House	5,084,483	-	-	-	-	-	5,084,483
Permanent	-	-	-	-	-	2,494	2,494
Special purpose	-	-	-	-	-	80,729	80,729
Fire service award program	2,328,817	-	-	-	-	-	2,328,817
Ambulance service award program	856,694	-	-	-	-	-	856,694
Section 8 Housing	-	-	-	163,534	-	-	163,534
Community Development	-	-	-	-	1,848,036	-	1,848,036
Total Restricted	8,893,314	837,812	-	163,534	1,848,036	83,223	11,825,919
Committed							
State retirement systems expenditures	300,000	-	-	-	-	-	300,000
Tax stabilization	223,975	-	-	-	-	-	223,975
Designated for subsequent year's budget	350,000	-	-	-	-	-	350,000
Sewer Storm Water	-	-	-	-	-	12,344	12,344
Capital improvements in City parks	-	-	-	-	-	1,352,868	1,352,868
Total Committed	873,975	-	-	-	-	1,365,212	2,239,187
Assigned							
Purchases on order							
General government support	7,945	-	-	-	-	-	7,945
Public safety	58,529	-	-	-	-	-	58,529
Transportation	8,151	-	-	-	-	-	8,151
Culture and recreation	15,154	-	-	-	-	-	15,154
Home and community services	45,614	-	299,885	-	-	-	345,499
	135,393	-	299,885	-	-	-	435,278
Subsequent year's expenditures	2,150,000	-	-	-	-	-	2,150,000
Tax certiorari payments	102,008	-	-	-	-	-	102,008
Major funds	-	-	7,819,618	-	-	-	7,819,618
Non-major funds							
Sewer	-	-	-	-	-	2,881,692	2,881,692
Total Assigned	2,387,401	-	8,119,503	-	-	2,881,692	13,388,596
Unassigned	7,583,438	-	-	-	-	-	7,583,438
Total Fund Balances (Deficits)	\$ 21,021,531	\$ 837,812	\$ 8,415,661	\$ 163,534	\$ 1,848,036	\$ 4,465,148	\$ 36,751,722

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	2021						
	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds	Total
Nonspendable							
Prepaid expenditures	\$ 1,227,320	\$ -	\$ 100,743	\$ -	\$ -	\$ 60,120	\$ 1,388,183
Inventories	-	-	174,460	-	-	-	174,460
Permanent fund	-	-	-	-	-	100,000	100,000
Total Nonspendable	1,227,320	-	275,203	-	-	160,120	1,662,643
Restricted							
Liability and casualty claims	355,248	-	-	-	-	-	355,248
Workers compensation	248,865	-	-	-	-	-	248,865
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Debt service - Fire House	4,641,291	-	-	-	-	-	4,641,291
Permanent	-	-	-	-	-	2,343	2,343
Special purpose	-	-	-	-	-	78,327	78,327
Fire service award program	2,780,109	-	-	-	-	-	2,780,109
Ambulance service award program	964,374	-	-	-	-	-	964,374
Section 8 Housing	-	-	-	167,912	-	-	167,912
Community Development	-	-	-	-	1,891,315	-	1,891,315
Total Restricted	8,989,887	-	-	167,912	1,891,315	80,670	11,129,784
Committed							
State retirement systems expenditures	300,000	-	-	-	-	-	300,000
Tax stabilization	573,975	-	-	-	-	-	573,975
Sewer Storm Water	-	-	-	-	-	12,344	12,344
Capital improvements in City parks	-	-	-	-	-	1,154,012	1,154,012
Total Committed	873,975	-	-	-	-	1,166,356	2,040,331
Assigned							
Purchases on order							
General government support	14,944	-	20,000	-	-	-	34,944
Public safety	74,014	-	-	-	-	-	74,014
Transportation	4,403	-	-	-	-	-	4,403
Culture and recreation	2,632	-	-	-	-	-	2,632
Home and community services	688	-	321,405	-	-	66,139	388,232
	96,681	-	341,405	-	-	66,139	504,225
Subsequent year's expenditures	1,510,000	-	-	-	-	-	1,510,000
Tax certiorari payments	102,700	-	-	-	-	-	102,700
Major funds	-	-	5,775,232	-	-	-	5,775,232
Non-major funds							
Sewer	-	-	-	-	-	2,460,585	2,460,585
Total Assigned	1,709,381	-	6,116,637	-	-	2,526,724	10,352,742
Unassigned	8,921,373	(1,056,299)	-	-	-	-	7,865,074
Total Fund Balances (Deficits)	\$ 21,721,936	\$ (1,056,299)	\$ 6,391,840	\$ 167,912	\$ 1,891,315	\$ 3,933,870	\$ 33,050,574

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

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

Inventories in the Water Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the City anticipates utilizing them in the normal course of operations.

Note 3 - Detailed Notes on All Funds (Continued)

Long-Term Receivables represents funds set aside to indicate the long-term nature of taxes receivable collected for other governments. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Restricted for Liability and Casualty Claims represents funds set aside by the City in accordance with section 6-n of the General Municipal Law of the State of New York to provide for payment of self-insured general liability and casualty claims.

Restricted for Workers' Compensation Benefits represents funds to be used for a specific purpose in accordance with Section 6-j of New York State General Municipal Law.

Restricted for pension benefits represents funds set aside to be used for LOSAP pension benefits in accordance with Article 11-A and Article 11-AAA of the General Municipal Law of the State of New York.

The commitment for the State retirement systems expenditures has been established by the City to set aside funds to be used for contributions to the New York state retirement systems.

The commitment for tax stabilization has been established by the City to set aside funds to be used to balance future budgets, revenue shortfalls and unanticipated expenditures.

The commitment for capital improvements in City parks has been established by the City to set aside a portion of developer fees for capital improvements in the parks around the City.

Purchases on order represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions. The amounts are reflected as assigned fund balance except where the assignment would cause a negative unassigned fund balance.

Subsequent year's expenditures represent that at December 31, 2022 the City Council has assigned the above amounts to be appropriated for the ensuing year's budget.

Assignment for tax certiorari payments has been established by the City to put aside unexpended bond proceeds to be used for the payment of future tax certiorari refunds.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The nature of this claim is a claim for personal injuries sustained by the claimant arising from a pedestrian motor vehicle accident when the claimant was struck by a vehicle being operated by a City of Peekskill Police Officer on his way to work. The Police Officer was not operating his vehicle during his course of employment at the time of the accident. Paper discovery has been exchanged and the deposition of the plaintiff has been held. The plaintiff sustained serious personal injuries well in excess of \$100,000. The City and co-defendants came to a settlement of \$1,000,000 and was accrued at the Government-Wide financial statement.

The City is also defendant in various claims by taxpayers for redetermination of assessed valuation and special franchises. The settlement of such claims could result in the payment of refunds by the City. However, the amount of the possible refunds cannot be determined at the present time. Any judgments will be funded in the year the payment is made.

The City is a defendant in a number of personnel related cases. At this time, the outcome of the cases are not known. The amount of any possible settlement cannot be determined at this time, if any, and no accruals have been made for an unfavorable outcome, if any, in these financial statements.

B. Risk Management

The City purchases various conventional insurance policies to reduce its exposure to loss. The general liability, auto liability, law enforcement, public officials and employment practices liability policies provide for coverage with an annual aggregate limit of \$3 million. The City also maintains an excess liability policy with a limit of \$10 million. The City also purchases health insurance and conventional workers' compensation insurance with coverage at statutory levels.

C. Compliance with Grant Requirements

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

D. Related Party Transactions

The City participates in the HUD Section 8 program whereby landlords are paid by HUD for certain eligible tenants. A City Council member is a landlord of a Section 8 eligible property and as such has an indirect financial relationship with the City.

City of Peekskill, New York

Notes to Financial Statements (Concluded)
December 31, 2022

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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

Note 6 - Tax Abatements

The City has real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the City.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents, and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from Toni Tracy, Comptroller, 840 Main Street, Peekskill, NY 10566, Ttracy@cityofpeekskill.com. Information relevant to disclosure of these agreements for the year ended December 31, 2022 is as follows:

SBL	Agreement	Taxable Assessed Value	City Tax Rate	City Tax Value	City PILOT Received	City Taxes Abated
2010 33.29.4-17	Barham House LLC	\$ 360,000	\$ 287.896	\$ 103,643	\$ 50,271	\$ 53,371
2005 33.29.4-16.1	Courtyard Housing LLC	501,750	287.896	144,452	41,273	103,178
2014 32.19.1-2	DP49 LLC	285,000	287.896	82,050	26,173	55,877
1998 33.37-1-36	Drum Hill Senior Living Project	210,900	287.896	60,717	152,321	(91,604)
2012 32.19-1-4.2	Hotel LLC	300,000	287.896	86,369	8,642	77,727
2015 33.29-5-5	Peekskill Artloft Owners	62,000	287.896	17,850	74,665	(56,815)
1981 33.29-3-16	Peekskill Housing	792,000	287.896	228,014	39,112	188,901
1985 32.19-1-3.2	Resco (HHSD)	17,746,000	287.896	5,109,002	2,308,401	2,800,593
1985 32.19-1-3.1	Resco (PCSD)	28,954,000	287.896	8,335,741	4,016,339	4,319,388
2018 32.8-1-3.311	The Abbey At Fort Hill, LLC	119,100	287.896	34,288	14,243	20,046
2017 32.8-1-3	Ft. Hill Peekskill, LLC	843,000	287.896	242,696	21,911	220,785
2021 33.29-2-4-1	The Lofts on Main LP	169,000	287.896	48,654	45,995	2,659
2007 23.15-1-2	Stuhr Gardens Associates LLC	516,022	287.896	148,561	147,080	1,481
2008 33.37-2-19	Wesley Hall Apartments	433,600	287.896	124,833	63,446	61,386
	Total	<u>\$ 51,292,372</u>		<u>\$ 14,766,870</u>	<u>\$ 7,009,872</u>	<u>\$ 7,756,973</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Peekskill, New York

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

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 1,597,284	\$ 3,173,404	\$ 3,111,596	\$ 1,716,245	\$ 1,392,789
Interest	7,390,877	3,601,117	3,787,983	5,527,992	5,637,408
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-
Changes of assumptions or other inputs	(54,296,708) (7)	(1,145,109) (6)	(14,456,350) (5)	32,582,606 (4)	-
Benefit payments	(4,640,401)	(4,316,401)	(4,289,401)	(3,684,113)	(3,714,321)
Net Change in Total OPEB Liability	(49,948,948)	1,313,011	(11,846,172)	36,142,730	3,315,876
Total OPEB Liability – Beginning of Year	179,135,436	177,822,425	189,668,597	153,525,867	150,209,991 (3)
Total OPEB Liability – End of Year	\$ 129,186,488	\$ 179,135,436	\$ 177,822,425	\$ 189,668,597	\$ 153,525,867
City's covered-employee payroll	\$ 18,849,992	\$ 16,601,478	\$ 16,601,478	\$ 16,436,040	\$ 16,436,040
Total OPEB liability as a percentage of covered-employee payroll	685.34%	1079.03%	1071.12%	1153.98%	934.08%

Notes to Schedule:

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

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

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

(4) The discount rate used to calculate the total OPEB liability was decreased from 3.8% to 3.0% effective with the December 31, 2019 measurement date.

(5) The discount rate used to calculate the total OPEB liability was decreased from 3.0% to 2.02% effective with the December 31, 2020 measurement date offset by a favorable decrease in healthcare rates.

(6) The discount rate used to calculate the total OPEB liability was increased from 2.02% to 2.05% effective with the December 31, 2021 measurement date offset by a favorable decrease in healthcare rates.

(7) The discount rate used to calculate the total OPEB liability was increased from 2.05% to 4.18% effective with the December 31, 2022 measurement date offset by a favorable decrease in healthcare rates.

City of Peekskill, New York

Required Supplementary Information -
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) (2)								
	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	<u>0.0342548%</u>	<u>0.0344026%</u>	<u>0.0349518%</u>	<u>0.0328235%</u>	<u>0.0314608%</u>	<u>0.0304623%</u>	<u>0.0343634%</u>	<u>0.0337201%</u>
City's proportionate share of the net pension liability (asset)	<u>\$ (2,800,189)</u>	<u>\$ 34,256</u>	<u>\$ 9,255,446</u>	<u>\$ 2,325,643</u>	<u>\$ 1,015,381</u>	<u>\$ 2,862,302</u>	<u>\$ 5,515,425</u>	<u>\$ 1,139,149</u>
City's covered payroll	<u>\$ 9,996,753</u>	<u>\$ 9,808,095</u>	<u>\$ 9,549,592</u>	<u>\$ 9,450,409</u>	<u>\$ 9,354,125</u>	<u>\$ 8,810,715</u>	<u>\$ 8,226,192</u>	<u>\$ 8,387,391</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(28.01%)</u>	<u>0.35%</u>	<u>96.92%</u>	<u>24.61%</u>	<u>10.85%</u>	<u>32.49%</u>	<u>67.05%</u>	<u>13.58%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

Schedule of Contributions								
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 1,575,730</u>	<u>\$ 1,690,127</u>	<u>\$ 1,542,677</u>	<u>\$ 1,523,656</u>	<u>\$ 1,618,743</u>	<u>\$ 1,563,876</u>	<u>\$ 1,521,851</u>	<u>\$ 1,320,000</u>
Contributions in relation to the contractually required contribution	<u>(1,575,730)</u>	<u>(1,690,127)</u>	<u>(1,542,677)</u>	<u>(1,523,656)</u>	<u>(1,618,743)</u>	<u>(1,563,876)</u>	<u>(1,521,851)</u>	<u>(1,320,000)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 10,611,097</u>	<u>\$ 9,469,440</u>	<u>\$ 9,710,183</u>	<u>\$ 9,591,392</u>	<u>\$ 9,298,358</u>	<u>\$ 9,306,418</u>	<u>\$ 8,590,577</u>	<u>\$ 8,515,855</u>
Contributions as a percentage of covered payroll	<u>14.85%</u>	<u>17.85%</u>	<u>15.89%</u>	<u>15.89%</u>	<u>17.41%</u>	<u>16.80%</u>	<u>17.72%</u>	<u>15.50%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

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

See independent auditors' report.

City of Peekskill, New York

Required Supplementary Information -
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

Schedule of the City's Proportionate Share of the Net Pension Liability (2)

	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.2367843%	0.2424648%	0.2398745%	0.2361000%	0.2344788%	0.2314847%	0.2700003%	0.2583584%
City's proportionate share of the net pension liability	\$ 1,345,040	\$ 4,047,671	\$ 12,821,139	\$ 3,959,546	\$ 2,370,011	\$ 4,797,873	\$ 7,994,133	\$ 711,156
City's covered payroll	\$ 9,868,956	\$ 9,135,898	\$ 9,205,765	\$ 9,132,541	\$ 9,262,166	\$ 8,615,754	\$ 8,377,415	\$ 8,609,537
City's proportionate share of the net pension liability as a percentage of its covered payroll	13.63%	44.31%	139.27%	43.36%	25.59%	55.69%	95.42%	8.26%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,771,687	\$ 2,680,861	\$ 2,340,698	\$ 2,241,791	\$ 2,330,862	\$ 2,301,594	\$ 2,202,962	\$ 1,988,000
Contributions in relation to the contractually required contribution	(2,771,687)	(2,680,861)	(2,340,698)	(2,241,791)	(2,330,862)	(2,301,594)	(2,202,962)	(1,988,000)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 11,161,610	\$ 9,094,804	\$ 9,206,753	\$ 9,054,398	\$ 9,336,993	\$ 9,114,808	\$ 8,543,817	\$ 8,666,097
Contributions as a percentage of covered payroll	24.83%	29.48%	25.42%	24.76%	24.96%	25.25%	25.78%	22.94%

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

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

See independent auditors' report.

City of Peekskill, New York

Required Supplementary Information - Schedule of Changes
in the City's Total Pension Liability - Fire Service Awards Program
Last Ten Fiscal Years *

Schedule of Changes in the City's Total Pension Liability

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service Cost	\$ 49,596	\$ 41,621	\$ 44,322	\$ 61,779	\$ 55,650	\$ 74,287
Interest	84,009	117,813	123,887	112,423	121,566	110,747
Changes of assumptions or other inputs	(189,005)	740,702	180,557	(232,718)	258,867	(244,929)
Differences between expected and actual experience	110,627	25,047	43,600	63,552	(28,447)	17,141
Benefit payments	(183,240)	(205,281)	(153,240)	(130,340)	(135,171)	(110,300)
Net change in total pension liability	(128,013)	719,902	239,126	(125,304)	272,465	(153,054)
Total pension liability – beginning	<u>4,394,829</u>	<u>3,674,927</u>	<u>3,435,801</u>	<u>3,561,105</u>	<u>3,288,640</u>	<u>3,441,694</u>
Total pension liability – ending	<u>\$ 4,266,816</u>	<u>\$ 4,394,829</u>	<u>\$ 3,674,927</u>	<u>\$ 3,435,801</u>	<u>\$ 3,561,105</u>	<u>\$ 3,288,640</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary information

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016: 3.71%
December 31, 2017: 3.16%
December 31, 2018: 3.64%
December 31, 2019: 3.26%
December 31, 2020: 1.93%
December 31, 2021: 2.24%

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 73 to pay related benefits.

See independent auditors' report.

City of Peekskill, New York

Required Supplementary Information - Schedule of Changes
in the City's Total Pension Liability - Ambulance Service Awards Program
Last Ten Fiscal Years *

Schedule of Changes in the City's Total Pension Liability

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service Cost	\$ 100,728	\$ 67,543	\$ 58,115	\$ 60,542	\$ 54,562	\$ 58,901
Interest	26,671	31,584	30,551	26,172	27,643	23,136
Changes of assumptions or other inputs	(85,644)	310,622	63,547	(78,012)	78,468	(77,880)
Differences between expected and actual experience	(53,894)	(21,598)	(27,915)	16,977	(72,233)	22,272
Benefit payments	(9,920)	(6,580)	(1,800)	(22,559)	-	-
Net change in total pension liability	(22,059)	381,571	122,498	3,120	88,440	26,429
Total pension liability – beginning	<u>1,286,155</u>	<u>904,584</u>	<u>782,086</u>	<u>778,966</u>	<u>690,526</u>	<u>664,097</u>
Total pension liability – ending	<u>\$ 1,264,096</u>	<u>\$ 1,286,155</u>	<u>\$ 904,584</u>	<u>\$ 782,086</u>	<u>\$ 778,966</u>	<u>\$ 690,526</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary information

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016: 3.71%
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December 31, 2018: 3.64%
December 31, 2019: 3.26%
December 31, 2020: 1.93%
December 31, 2021: 2.24%

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 73 to pay related benefits.

See independent auditors' report.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

CAPITAL PROJECTS FUND

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

WATER FUND

- The Water Fund is provided to records the water utility operations of the City, which render services on a user charge basis to the general public. The major revenue of this fund is departmental income.

COMMUNITY DEVELOPMENT AND SECTION 8 HOUSING ASSISTANCE FUNDS

- The Community Development and Section 8 Housing Assistance funds are used to account for projects and subsidies financed by entitlements from the United States Department of Housing and Urban Development.

City of Peekskill, New York

General Fund
Combining Balance Sheet - Sub-Funds
December 31, 2022
(With Comparative Totals for 2021)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Totals	
				2022	2021
ASSETS					
Cash and equivalents	\$ 16,929,704	\$ -	\$ -	\$ 16,929,704	\$ 17,118,996
Investments	-	2,231,260	856,694	3,087,954	3,642,461
Taxes receivable					
City taxes	1,511,270	-	-	1,511,270	709,520
County taxes	261,525	-	-	261,525	303,094
School districts taxes	977,797	-	-	977,797	873,031
Installment agreements	14,482	-	-	14,482	49,279
	2,765,074	-	-	2,765,074	1,934,924
Allowance for uncollectible taxes	(282,167)	-	-	(282,167)	(82,774)
	2,482,907	-	-	2,482,907	1,852,150
Other receivables					
Accounts	379,531	97,557	-	477,088	458,301
State and Federal aid	1,765,717	-	-	1,765,717	1,651,027
Due from other governments	962,751	-	-	962,751	1,063,918
Due from other funds	1,572,331	-	-	1,572,331	1,787,355
Due from fiduciary fund	339,220	-	-	339,220	-
	5,019,550	97,557	-	5,117,107	4,960,601
Prepaid expenditures	1,283,403	-	-	1,283,403	1,227,320
Total Assets	\$ 25,715,564	\$ 2,328,817	\$ 856,694	\$ 28,901,075	\$ 28,801,528
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,376,422	\$ -	\$ -	\$ 1,376,422	\$ 318,466
Accrued liabilities	732,697	-	-	732,697	640,340
Due to fiduciary fund	-	-	-	-	1,654,387
Deposits payable	1,255,421	-	-	1,255,421	1,275,470
Employee payroll deductions	207,716	-	-	207,716	342,117
Due from component unit	48,727	-	-	48,727	75,629
Unearned revenues	2,512,168	-	-	2,512,168	1,266,710
Total Liabilities	6,133,151	-	-	6,133,151	5,573,119
Deferred inflows of resources					
Deferred tax revenues	1,746,393	-	-	1,746,393	1,506,473
Total Liabilities and Deferred Inflows of Resources	7,879,544	-	-	7,879,544	7,079,592
Fund balances					
Nonspendable	1,283,403	-	-	1,283,403	1,227,320
Restricted	5,707,803	2,328,817	856,694	8,893,314	8,989,887
Committed	873,975	-	-	873,975	873,975
Assigned	2,387,401	-	-	2,387,401	1,709,381
Unassigned	7,583,438	-	-	7,583,438	8,921,373
Total Fund Balances	17,836,020	2,328,817	856,694	21,021,531	21,721,936
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,715,564	\$ 2,328,817	\$ 856,694	\$ 28,901,075	\$ 28,801,528

See independent auditors' report.

City of Peekskill, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub-Funds
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Eliminations
REVENUES				
Real property taxes	\$ 17,777,993	\$ -	\$ -	\$ -
Other tax items	8,856,433	-	-	-
Non-property taxes	7,507,867	-	-	-
Departmental income	4,087,436	97,557	35,371	(132,928)
Charges for services	49,347	-	-	-
Use of money and property	519,445	(333,645)	(123,741)	-
Licenses and permits	765,574	-	-	-
Fines and forfeitures	1,004,174	-	-	-
Sale of property and compensation for loss	42,983	-	-	-
State aid	3,299,905	-	-	-
Federal aid	400,824	-	-	-
Miscellaneous	400,030	-	-	-
Total Revenues	44,712,011	(236,088)	(88,370)	(132,928)
EXPENDITURES				
Current				
General government support	4,923,525	-	-	-
Public safety	15,533,849	215,204	-	(97,557)
Health	623,993	-	19,310	(35,371)
Transportation	2,785,708	-	-	-
Economic opportunity and development	604,642	-	-	-
Culture and recreation	2,936,960	-	-	-
Home and community services	2,771,175	-	-	-
Employee benefits	11,587,647	-	-	-
Debt service				
Principal	2,508,083	-	-	-
Interest	792,815	-	-	-
Total Expenditures	45,068,397	215,204	19,310	(132,928)
Excess (Deficiency) of Revenues Over Expenditures	(356,386)	(451,292)	(107,680)	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	99,953	-	-	-
Transfers in	715,000	-	-	-
Transfers out	(600,000)	-	-	-
Total Other Financing Sources (Uses)	214,953	-	-	-
Net Change in Fund Balances	(141,433)	(451,292)	(107,680)	-
FUND BALANCES				
Beginning of Year	17,977,453	2,780,109	964,374	-
End of Year	\$ 17,836,020	\$ 2,328,817	\$ 856,694	\$ -

See independent auditors' report.

Totals	
2022	2021
\$ 17,777,993	\$ 18,087,765
8,856,433	8,641,740
7,507,867	6,779,704
4,087,436	3,894,896
49,347	55,330
62,059	632,988
765,574	857,331
1,004,174	746,272
42,983	7,781
3,299,905	3,271,941
400,824	597,275
400,030	180,771
44,254,625	43,753,794
4,923,525	4,879,243
15,651,496	12,823,233
607,932	132,832
2,785,708	2,046,194
604,642	529,954
2,936,960	2,606,256
2,771,175	2,391,868
11,587,647	11,269,440
2,508,083	2,776,465
792,815	846,460
45,169,983	40,301,945
(915,358)	3,451,849
99,953	94,535
715,000	687,459
(600,000)	(500,000)
214,953	281,994
(700,405)	3,733,843
21,721,936	17,988,093
\$ 21,021,531	\$ 21,721,936

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City of Peekskill, New York

General Fund
 Comparative Balance Sheet - Sub-Fund
 December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 16,929,704	\$ 17,118,996
Taxes receivable		
City taxes	1,511,270	709,520
County taxes	261,525	303,094
Delinquent school districts taxes	977,797	873,031
Installment agreements	14,482	49,279
	2,765,074	1,934,924
Allowance for uncollectible taxes	(282,167)	(82,774)
	2,482,907	1,852,150
Other receivables		
Accounts	379,531	356,279
State and Federal aid	1,765,717	1,651,027
Due from other governments	962,751	1,063,918
Due from other funds	1,572,331	1,787,355
Due from fiduciary fund	339,220	-
	5,019,550	4,858,579
Prepaid expenditures	1,283,403	1,227,320
Total Assets	<u>\$ 25,715,564</u>	<u>\$ 25,057,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,376,422	\$ 318,466
Accrued liabilities	732,697	640,340
Due to fiduciary fund	-	1,654,387
Deposits payable	1,255,421	1,275,470
Employee payroll deductions	207,716	342,117
Due to component unit	48,727	75,629
Unearned revenues	2,512,168	1,266,710
Total Liabilities	6,133,151	5,573,119
Deferred inflows of resources		
Deferred tax revenues	1,746,393	1,506,473
Total Liabilities and Deferred Inflows of Resources	<u>7,879,544</u>	<u>7,079,592</u>
Fund balance		
Nonspendable	1,283,403	1,227,320
Restricted	5,707,803	5,245,404
Committed	873,975	873,975
Assigned	2,387,401	1,709,381
Unassigned	7,583,438	8,921,373
Total Fund Balance	<u>17,836,020</u>	<u>17,977,453</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 25,715,564</u>	<u>\$ 25,057,045</u>

See independent auditors' report.

City of Peekskill, New York

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

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 18,230,000	\$ 18,230,000	\$ 17,777,993	\$ (452,007)
Other tax items	8,806,651	8,806,651	8,856,433	49,782
Non-property taxes	5,425,000	5,425,000	7,507,867	2,082,867
Departmental income	3,875,650	3,921,334	4,087,436	166,102
Charges for services	140,000	140,000	49,347	(90,653)
Use of money and property	425,000	425,000	519,445	94,445
Licenses and permits	845,040	845,040	765,574	(79,466)
Fines and forfeitures	907,186	907,186	1,004,174	96,988
Sale of property and compensation for loss	11,000	11,000	42,983	31,983
State aid	2,877,384	2,877,384	3,299,905	422,521
Federal aid	1,455,000	1,803,018	400,824	(1,402,194)
Miscellaneous	139,300	139,300	400,030	260,730
Total Revenues	43,137,211	43,530,913	44,712,011	1,181,098
EXPENDITURES				
Current				
General government support	5,099,964	4,981,569	4,923,525	58,044
Public safety	14,768,676	15,707,719	15,533,849	173,870
Health	385,087	624,081	623,993	88
Transportation	2,434,738	2,806,865	2,785,708	21,157
Economic opportunity and development	478,877	650,830	604,642	46,188
Culture and recreation	2,800,018	3,143,159	2,936,960	206,199
Home and community services	3,033,838	2,987,847	2,771,175	216,672
Employee benefits	11,590,000	11,438,323	11,587,647	(149,324)
Debt service				
Principal	2,504,244	2,576,160	2,508,083	68,077
Interest	786,450	724,738	792,815	(68,077)
Total Expenditures	43,881,892	45,641,291	45,068,397	572,894
Excess (Deficiency) of Revenues Over Expenditures	(744,681)	(2,110,378)	(356,386)	1,753,992
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	65,000	65,000	99,953	34,953
Transfers in	823,000	823,000	715,000	(108,000)
Transfers out	(1,840,000)	(600,000)	(600,000)	-
Total Other Financing Sources (Uses)	(952,000)	288,000	214,953	(73,047)
Net Change in Fund Balance	(1,696,681)	(1,822,378)	(141,433)	1,680,945
FUND BALANCE				
Beginning of Year	1,696,681	1,822,378	17,977,453	16,155,075
End of Year	\$ -	\$ -	\$ 17,836,020	\$ 17,836,020

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 17,945,000	\$ 17,945,000	\$ 18,087,765	\$ 142,765
7,920,600	7,920,600	8,641,740	721,140
5,360,000	5,360,000	6,779,704	1,419,704
3,877,800	3,935,093	3,894,896	(40,197)
180,000	180,000	55,330	(124,670)
417,000	417,000	348,402	(68,598)
565,400	565,400	857,331	291,931
775,000	775,000	746,272	(28,728)
21,000	21,000	7,781	(13,219)
2,373,200	2,373,200	3,271,941	898,741
205,000	634,239	597,275	(36,964)
132,000	132,003	180,771	48,768
39,772,000	40,258,535	43,469,208	3,210,673
4,808,457	5,308,226	4,879,243	428,983
13,882,461	13,022,455	12,698,832	323,623
372,000	150,458	150,458	-
2,006,600	2,068,305	2,046,194	22,111
453,269	551,809	529,954	21,855
2,453,963	2,979,052	2,606,256	372,796
2,611,113	2,781,086	2,391,868	389,218
12,044,000	12,111,025	11,269,440	841,585
2,777,116	2,941,166	2,776,465	164,701
785,859	855,906	846,460	9,446
42,194,838	42,769,488	40,195,170	2,574,318
(2,422,838)	(2,510,953)	3,274,038	5,784,991
50,000	50,000	94,535	44,535
718,000	718,000	687,459	(30,541)
(500,000)	(500,000)	(500,000)	-
268,000	268,000	281,994	13,994
(2,154,838)	(2,242,953)	3,556,032	5,798,985
2,154,838	2,242,953	14,421,421	12,178,468
\$ -	\$ -	\$ 17,977,453	\$ 17,977,453

City of Peekskill, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
REAL PROPERTY TAXES	\$ 18,230,000	\$ 18,230,000	\$ 17,777,993	\$ (452,007)	\$ 18,087,765
OTHER TAX ITEMS					
Interest and penalties on real property taxes	431,100	431,100	366,542	(64,558)	412,973
Gain on sale of tax acquired property	600,000	600,000	589	(599,411)	162,500
Payments in lieu of taxes	7,025,551	7,025,551	7,009,872	(15,679)	6,834,420
Real estate transfer tax	750,000	750,000	1,479,430	729,430	1,231,847
	8,806,651	8,806,651	8,856,433	49,782	8,641,740
NON-PROPERTY TAXES					
Non-property tax distribution from County	4,650,000	4,650,000	6,594,211	1,944,211	5,868,293
Utilities gross receipts taxes	300,000	300,000	436,926	136,926	324,656
Hotel tax	200,000	200,000	246,969	46,969	201,588
Cable television franchise fees	275,000	275,000	229,761	(45,239)	385,167
	5,425,000	5,425,000	7,507,867	2,082,867	6,779,704
DEPARTMENTAL INCOME					
Charges for tax advertising	1,000	1,000	325	(675)	8,398
Comptroller's fees	50,000	50,000	143,302	93,302	99,696
Assessor's fees	500	500	133	(367)	212
City Clerk fees	5,000	5,000	7,938	2,938	2,404
Police fees	53,100	53,100	50,463	(2,637)	51,256
Vital statistics	9,000	9,000	7,809	(1,191)	7,994
Ambulance charges	80,000	80,000	62,740	(17,260)	76,913
Public Works fees	20,000	20,000	21,526	1,526	18,444
Parking lots and garages	786,450	786,450	886,530	100,080	741,778
Parks and recreation charges	230,000	230,000	254,678	24,678	204,500
Concessions and rentals	57,200	57,200	34,637	(22,563)	30,325
Pool and marina charges	101,000	101,000	99,823	(1,177)	70,440
Other recreation income	22,000	22,000	30,211	8,211	25,055

Zoning and Planning Board fees	99,700	99,700	67,025	(32,675)	138,000
Sale of electric power	1,885,000	1,885,000	1,885,000	-	1,885,000
Dumpster fees	320,000	320,000	320,930	930	315,021
Recycling fees	110,000	110,000	110,000	-	110,000
Participant's contributions - Nutrition programs	24,000	24,000	2,744	(21,256)	22,657
Youth programs - Westchester County L.I.F.T. grant	-	45,684	54,546	8,862	57,356
Youth programs - various	-	-	-	-	11,011
Other departmental income	21,700	21,700	47,076	25,376	18,436
	<u>3,875,650</u>	<u>3,921,334</u>	<u>4,087,436</u>	<u>166,102</u>	<u>3,894,896</u>
CHARGES FOR SERVICES					
County prisoner transportation	100,000	100,000	-	(100,000)	6,951
Snow removal	40,000	40,000	49,347	9,347	48,379
	<u>140,000</u>	<u>140,000</u>	<u>49,347</u>	<u>(90,653)</u>	<u>55,330</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	15,000	15,000	96,041	81,041	22,568
Rentals of real property	410,000	410,000	423,404	13,404	325,834
	<u>425,000</u>	<u>425,000</u>	<u>519,445</u>	<u>94,445</u>	<u>348,402</u>
LICENSES AND PERMITS					
Business and occupational licenses	39,000	39,000	38,787	(213)	42,485
Bingo licenses	440	440	2,729	2,289	1,450
Dog licenses and apportionment	2,500	2,500	3,132	632	3,234
Marriage licenses	3,000	3,000	5,695	2,695	4,758
Other licenses	-	-	11,448	11,448	15
Public safety permits	4,100	4,100	5,650	1,550	5,590
Building permits	500,000	500,000	278,344	(221,656)	455,631
Street opening permits	45,000	45,000	174,546	129,546	58,126
Plumbing permits	100,000	100,000	94,042	(5,958)	106,997
Other permits	151,000	151,000	151,201	201	179,045
	<u>845,040</u>	<u>845,040</u>	<u>765,574</u>	<u>(79,466)</u>	<u>857,331</u>

(Continued)

City of Peekskill, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund (Continued)

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
FINES AND FORFEITURES	\$ 907,186	\$ 907,186	\$ 1,004,174	\$ 96,988	\$ 746,272
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	11,000	11,000	42,983	31,983	7,781
STATE AID					
Mortgage tax	525,000	525,000	967,774	442,774	830,956
Court facilities aid	128,000	128,000	102,095	(25,905)	97,546
Per capita	2,219,384	2,219,384	2,219,384	-	2,330,353
Public safety grants	5,000	5,000	10,652	5,652	13,086
	2,877,384	2,877,384	3,299,905	422,521	3,271,941
FEDERAL AID					
American Rescue Plan Act	1,240,000	1,240,000	-	(1,240,000)	-
Workforce Investment Act	35,000	383,018	262,110	(120,908)	274,522
Nutrition for the Elderly - Title IIIC	180,000	180,000	138,714	(41,286)	322,753
	1,455,000	1,803,018	400,824	(1,402,194)	597,275
MISCELLANEOUS					
Gifts and donations	300	300	1,200	900	600
Police overtime reimbursement	100,000	100,000	97,424	(2,576)	94,103
Other	39,000	39,000	301,406	262,406	86,068
	139,300	139,300	400,030	260,730	180,771
TOTAL REVENUES	43,137,211	43,530,913	44,712,011	1,181,098	43,469,208

OTHER FINANCING SOURCES

Insurance recoveries	<u>65,000</u>	<u>65,000</u>	<u>99,953</u>	<u>34,953</u>	<u>94,535</u>
Transfers in					
Water Fund	725,000	725,000	617,000	(108,000)	260,000
Sewer Fund	-	-	-	-	310,000
Recreation Fund	-	-	-	-	19,459
Community Development Fund	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	<u>-</u>	<u>98,000</u>
	<u>823,000</u>	<u>823,000</u>	<u>715,000</u>	<u>(108,000)</u>	<u>687,459</u>
TOTAL OTHER FINANCING SOURCES	<u>888,000</u>	<u>888,000</u>	<u>814,953</u>	<u>(73,047)</u>	<u>781,994</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 44,025,211</u>	<u>\$ 44,418,913</u>	<u>\$ 45,526,964</u>	<u>\$ 1,108,051</u>	<u>\$ 44,251,202</u>

See independent auditors' report.

City of Peekskill, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
GENERAL GOVERNMENT SUPPORT					
Common Council	\$ 79,372	\$ 93,293	\$ 98,126	\$ (4,833)	\$ 79,257
Unified Court	77,161	73,569	73,344	225	71,147
Mayor	20,924	8,080	7,888	192	19,568
City Manager	270,205	291,836	290,721	1,115	276,225
Comptroller	648,791	600,789	599,836	953	564,258
Assessment	332,370	322,601	316,406	6,195	274,028
Tax Review Board	2,100	1,600	1,600	-	2,000
Expenses on property acquired for taxes	10,000	4,686	4,686	-	-
City Clerk	323,147	273,935	272,977	958	299,674
Law	452,538	394,750	394,626	124	455,956
Personnel	288,558	274,791	274,328	463	204,542
Elections	42,725	43,557	43,551	6	80,198
Parking Violations Bureau	84,000	118,431	115,035	3,396	98,519
Public Works administration	345,306	342,805	341,755	1,050	330,382
Building maintenance	718,246	787,060	770,717	16,343	692,456
Central data processing	305,713	342,815	319,983	22,832	222,715
Central printing and mailing	34,000	42,967	33,965	9,002	11,549
Special items					
Unallocated insurance	481,308	507,531	507,530	1	856,125
Municipal association dues	6,500	7,286	7,286	-	12,478
Judgments and claims	225,000	700	692	8	82,380
Taxes on City property	30,000	-	-	-	79
Metropolitan transportation and mobility tax	67,500	72,622	72,608	14	61,522
Miscellaneous services	125,000	375,865	375,865	-	184,185
Contingency	129,500	-	-	-	-
	<u>5,099,964</u>	<u>4,981,569</u>	<u>4,923,525</u>	<u>58,044</u>	<u>4,879,243</u>

PUBLIC SAFETY

Police Department	9,496,026	9,924,250	9,805,574	118,676	7,925,129
Traffic control	118,827	147,550	146,889	661	95,240
Fire Department	4,232,809	5,011,799	4,965,693	46,106	3,916,255
Control of animals	126,647	111,547	109,803	1,744	115,026
Building and plumbing	616,065	505,531	502,938	2,593	500,620
Civil defense	178,302	7,042	2,952	4,090	146,562
	<u>14,768,676</u>	<u>15,707,719</u>	<u>15,533,849</u>	<u>173,870</u>	<u>12,698,832</u>

HEALTH

Ambulance	<u>385,087</u>	<u>624,081</u>	<u>623,993</u>	<u>88</u>	<u>150,458</u>
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TRANSPORTATION

Street maintenance	1,045,580	1,449,794	1,443,147	6,647	1,014,967
Central garage	401,667	369,818	368,278	1,540	304,220
Snow removal	379,000	329,153	328,304	849	233,152
Street lighting	366,977	340,485	340,279	206	311,413
Off-street parking	241,514	317,615	305,700	11,915	182,442
	<u>2,434,738</u>	<u>2,806,865</u>	<u>2,785,708</u>	<u>21,157</u>	<u>2,046,194</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Youth Board - Job training	6,917	101,344	101,344	-	81,921
Nutrition program for the elderly	<u>471,960</u>	<u>549,486</u>	<u>503,298</u>	<u>46,188</u>	<u>448,033</u>
	<u>478,877</u>	<u>650,830</u>	<u>604,642</u>	<u>46,188</u>	<u>529,954</u>

CULTURE AND RECREATION

Recreation administration	364,637	323,921	323,118	803	294,561
Parks maintenance	849,456	897,995	897,083	912	707,212
Playgrounds	382,700	271,830	265,837	5,993	274,775
Kiley sports program	271,886	203,433	201,879	1,554	202,776
Youth bureau	254,170	680,364	595,833	84,531	528,941
Summer recreation programs	94,651	100,442	97,770	2,672	91,467
Pool	165,335	182,813	156,563	26,250	142,896
Marina	15,100	15,100	10,922	4,178	9,755
Riverfront programs	14,000	14,058	12,787	1,271	6,808

(Continued)

City of Peekskill, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund (Continued)

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
CULTURE AND RECREATION (Continued)					
Civic theatres	\$ 122,632	\$ 158,206	\$ 131,891	\$ 26,315	\$ 103,542
Celebrations	63,789	64,163	17,162	47,001	3,789
Senior citizen club	149,162	178,334	173,615	4,719	195,734
Norwest program	52,500	52,500	52,500	-	44,000
	<u>2,800,018</u>	<u>3,143,159</u>	<u>2,936,960</u>	<u>206,199</u>	<u>2,606,256</u>
HOME AND COMMUNITY SERVICES					
Refuse collection and disposal	1,941,128	1,935,567	1,852,980	82,587	1,549,019
Human Rights Commission	-	-	-	-	162
Street cleaning	99,909	118,905	114,440	4,465	94,782
Shade trees	45,464	45,464	-	45,464	-
Planning and development	945,537	874,373	791,417	82,956	740,926
Composting	1,800	13,538	12,338	1,200	6,979
	<u>3,033,838</u>	<u>2,987,847</u>	<u>2,771,175</u>	<u>216,672</u>	<u>2,391,868</u>
EMPLOYEE BENEFITS					
State retirement	1,350,000	1,119,187	1,268,651	(149,464)	1,043,170
Police retirement	2,700,000	2,602,587	2,602,547	40	2,557,588
Life, health and dental insurance	7,020,000	7,028,472	7,028,372	100	6,923,541
Unemployment benefits	20,000	29,130	29,130	-	-
Workers' compensation benefits	500,000	658,947	658,947	-	745,141
	<u>11,590,000</u>	<u>11,438,323</u>	<u>11,587,647</u>	<u>(149,324)</u>	<u>11,269,440</u>

DEBT SERVICE

Principal

Serial bonds

Notes

2,210,800	2,210,800	2,210,800	-	2,379,100
293,444	365,360	297,283	68,077	397,365

2,504,244	2,576,160	2,508,083	68,077	2,776,465
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Interest

Serial bonds

Bond anticipation notes

Tax anticipation notes

Notes

654,942	654,942	654,942	-	698,495
18,500	18,500	18,500	-	-
-	-	-	-	18,750
113,008	51,296	119,373	(68,077)	129,215

786,450	724,738	792,815	(68,077)	846,460
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3,290,694	3,300,898	3,300,898	-	3,622,925
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TOTAL EXPENDITURES

43,881,892	45,641,291	45,068,397	572,894	40,195,170
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OTHER FINANCING USES

Transfers out

Capital Projects Fund

1,840,000	600,000	600,000	-	500,000
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u>\$ 45,721,892</u>	<u>\$ 46,241,291</u>	<u>\$ 45,668,397</u>	<u>\$ 572,894</u>	<u>\$ 40,695,170</u>
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See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 4,131,237	\$ 2,563,175
State aid receivable	652,820	50,000
Total Assets	<u>\$ 4,784,057</u>	<u>\$ 2,613,175</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 37,875	\$ -
Retainages payable	-	19,775
Bond anticipation notes payable	1,750,000	1,850,000
Due to other funds	2,158,370	1,799,699
Total Liabilities	<u>3,946,245</u>	<u>3,669,474</u>
Fund balance (deficit)		
Restricted	837,812	-
Unassigned	-	(1,056,299)
Total Fund Balance (Deficit)	<u>837,812</u>	<u>(1,056,299)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 4,784,057</u>	<u>\$ 2,613,175</u>

See independent auditors' report.

City of Peekskill, New York

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

	2022	2021
REVENUES		
State aid	\$ 1,463,518	\$ 474,095
Federal aid	1,189,922	24,619
Miscellaneous	1,483,138	4,404,162
Total Revenues	4,136,578	4,902,876
EXPENDITURES		
Capital outlay	5,437,062	6,526,266
Deficiency of Revenues Over Expenditures	(1,300,484)	(1,623,390)
OTHER FINANCING SOURCES		
Notes issued	2,434,920	-
Transfers in	759,675	675,000
Total Other Financing Sources	3,194,595	675,000
Net Change in Fund Balance	1,894,111	(948,390)
FUND BALANCE (DEFICIT)		
Beginning of Year	(1,056,299)	(107,909)
End of Year	\$ 837,812	\$ (1,056,299)

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through December 31, 2022

Project	Project Number	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
City Hall - Computer Upgrade	131	\$ 2,180,684	\$ 1,761,997	\$ 418,687
City Hall - 2015 Equipment	135	1,642,774	1,661,203	(18,429)
City Hall - 2019 Equipment	136	683,613	920,225	(236,612)
City Maps	178	57,500	47,920	9,580
Repainting of Water Tanks	189	1,869,782	1,744,758	125,024
Fort Hill Park	195	326,000	305,895	20,105
Broad Street Improvements	197	23,000	-	23,000
Brown/Ester Streetscape	198	643,007	643,007	-
South Division Streetscape	199	940,657	940,657	-
Park Maintenance	500	436,022	436,598	(576)
Park Maintenance - Lepore Park Lighting	500-7	10,778	10,778	-
Park Maintenance - Tennis Court Lighting	500-14	2,136	2,136	-
Street Paving	502-2012	4,199,842	5,063,820	(863,978)
Nelson Parking Garage	504-2012	2,540,522	2,404,365	136,157
Public Works Equipment	505	2,174,793	2,174,793	-
Lincoln Train Station - Visitor's Center	541-1	2,131,076	1,928,791	202,285
Lincoln Plaza Design	541-2	823,572	812,963	10,609
Insurance Reserve Paramount	548	678,059	550,345	127,714
5 Corporate Drive	552	581,000	542,183	38,817
Firehouse Building Maintenance	570	247,771	247,771	-
Construction DPW Garage	571	87,884	78,097	9,787
Water Meter Upgrade	592	1,918,110	1,994,510	(76,400)
Neighborhood Center Roof	601	329,417	329,417	-
Parks Pool Bathhouse	602	313,900	313,721	179
Louisa Street Ballfield	617	556,747	286,996	269,751
Blight Study	623-2	5,801	4,750	1,051
Downtown Redevelopment - RFP	623-3	40,196	32,045	8,151
City Hall Repairs	628	504,973	504,973	-
Neighborhood Center	628-27,30	414,440	414,440	-
Police Department Courthouse	628-32	106,510	106,510	-
Lights and Signs - Welcome Signs	634-2	30,000	4,570	25,430
Plantings	636	54,070	18,245	35,825
Central Firehouse	638	16,336,337	17,910,848	(1,574,511)
James Street Parking Ramp	642	2,859,712	2,854,972	4,740
Purchase Lower South Street	647	6,479,093	6,481,063	(1,970)
Salt Shed	649	231,309	221,109	10,200
Hays Plaza	654	95,830	24,546	71,284
Infrastructure Improvements Route 6/East Main	656	896,412	896,412	-
Hollowbrook Pump Station	661	724,129	765,620	(41,491)
LWRP Update Blue Plan	663	98,691	97,383	1,308
Peekskill Multi Use Waterfront	664	248,737	237,877	10,860
Brownfield Clean-Up LLS Sites	665	140,000	97,948	42,052
Feasibility Study - White Plains Linen Complex	667	210,450	210,450	-
Fleishchman Pier	668	244,550	256,256	(11,706)
Peekskill Multi Use Trail	669	2,175,672	2,217,005	(41,333)
Sewer Maintenance	670	1,400,000	55,200	1,344,800
Zombie Grant	672	100,000	69,937	30,063
Oakwood Drive Reconstruction	673	2,980,209	1,773,872	1,206,337
Parking Analysis	674	46,492	46,492	-
Louisa Street CDBG	675	774,650	857,174	(82,524)
Microenterprise Assistant Program	678	321,676	321,676	-
Clean Water Grant	679	100,000	125,000	(25,000)
Vehicle Charging Stations	680	27,900	29,332	(1,432)
1847 Crompond Road	681	2,211,539	2,109,264	102,275
2019 Parks	682	116,338	102,583	13,755
Main Street Streetscape	683	281,671	250,000	31,671
701 Washington Street Kitchen	685	25,000	-	25,000
Storm Water	687	121,350	94,650	26,700
Bond Issuance Costs	BOND	832,080	808,199	23,881
2020 Energy Performance (Honeywell)		4,479,950	4,479,950	-
2019 Vehicles Capital Lease		323,062	323,062	-
NRI Grant Project	688	25,000	17,618	7,382
645 Main Street	689	5,760,000	5,760,000	-
4 Nelson Ave Roof Replacement	693	658,006	658,006	-
Downtown Revitalization Fund	694	15,000	15,000	-
DRI Civic Hub	779	52,762	52,762	-
DRI Pugsley & Monument Park	780	25,885	25,885	-
2022 Vehicles Capital Lease		2,434,920	853,816	1,581,104
Totals		\$ 80,409,048	\$ 77,389,446	\$ 3,019,602

See independent auditors' report.

Revenues	Fund Balance (Deficit) At December 31, 2022	Notes Outstanding at December 31, 2022
\$ 1,549,229	\$ (212,768)	\$ -
1,642,774	(18,429)	-
1,183,613	263,388	-
57,500	9,580	-
1,869,782	125,024	-
326,000	20,105	-
23,000	23,000	-
643,007	-	-
940,657	-	-
436,020	(578)	-
10,778	-	-
2,136	-	-
4,852,662	(211,158)	-
2,540,522	136,157	-
2,174,793	-	-
2,131,075	202,284	-
823,572	10,609	-
678,059	127,714	-
581,000	38,817	-
247,771	-	-
87,884	9,787	-
1,918,110	(76,400)	-
329,417	-	-
313,900	179	-
556,747	269,751	-
5,801	1,051	-
40,196	8,151	-
504,973	-	-
414,440	-	-
106,510	-	-
30,000	25,430	-
54,070	35,825	-
16,336,337	(1,574,511)	-
2,859,712	4,740	-
6,479,093	(1,970)	-
231,309	10,200	-
95,830	71,284	-
896,412	-	-
724,129	(41,491)	-
98,691	1,308	-
248,737	10,860	-
140,000	42,052	-
210,450	-	-
244,550	(11,706)	-
2,125,673	(91,332)	-
1,400,000	1,344,800	-
100,000	30,063	-
1,330,207	(443,665)	1,750,000
46,492	-	-
774,650	(82,524)	-
321,676	-	-
100,000	(25,000)	-
27,900	(1,432)	-
2,211,541	102,277	-
116,338	13,755	-
30,170	(219,830)	-
25,000	25,000	-
121,350	26,700	-
832,081	23,882	-
4,479,950	-	-
323,062	-	-
25,000	7,382	-
5,760,000	-	-
-	(658,006)	-
-	(15,000)	-
-	(52,762)	-
-	(25,885)	-
2,434,920	1,581,104	-
<u>\$ 78,227,258</u>	<u>\$ 837,812</u>	<u>\$ 1,750,000</u>

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City of Peekskill, New York

Water Fund
Comparative Balance Sheet
December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 6,004,211	\$ 4,194,070
Receivables		
Water rents receivable	2,090,196	2,043,043
Due from other funds	635,086	-
	2,725,282	2,043,043
Prepaid expenditures	93,042	100,743
Inventories	203,116	174,460
Total Assets	\$ 9,025,651	\$ 6,512,316
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 528,342	\$ 69,864
Accrued liabilities	58,463	50,612
Due to other funds	23,185	-
Total Liabilities	609,990	120,476
Fund balance		
Nonspendable	296,158	275,203
Assigned	8,119,503	6,116,637
Total Fund Balance	8,415,661	6,391,840
Total Liabilities and Fund Balance	\$ 9,025,651	\$ 6,512,316

See independent auditors' report.

City of Peekskill, New York

Water Fund

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

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 7,878,200	\$ 7,878,200	\$ 8,560,263	\$ 682,063
Sale of property and compensation for loss	-	-	628,050	628,050
Miscellaneous	91,000	91,000	48,337	(42,663)
Total Revenues	7,969,200	7,969,200	9,236,650	1,267,450
EXPENDITURES				
Current				
Home and community services	5,425,438	5,425,438	4,460,029	965,409
Debt service				
Principal	2,140,000	2,140,000	2,140,000	-
Interest	495,167	495,167	362,800	132,367
Total Expenditures	8,060,605	8,060,605	6,962,829	1,097,776
Excess of Revenues Over Expenditures	(91,405)	(91,405)	2,273,821	2,365,226
OTHER FINANCING USES				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net Change in Fund Balance	(341,405)	(341,405)	2,023,821	2,365,226
FUND BALANCE				
Beginning of Year	341,405	341,405	6,391,840	6,050,435
End of Year	\$ -	\$ -	\$ 8,415,661	\$ 8,415,661

See independent auditors' report.

2021

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 7,730,000	\$ 7,730,000	\$ 7,920,278	\$ 190,278
-	-	-	-
40,000	40,000	25,176	(14,824)
<u>7,770,000</u>	<u>7,770,000</u>	<u>7,945,454</u>	<u>175,454</u>
4,866,063	4,906,759	3,891,568	1,015,191
2,090,000	2,090,000	2,090,000	-
553,937	553,937	420,335	133,602
<u>7,510,000</u>	<u>7,550,696</u>	<u>6,401,903</u>	<u>1,148,793</u>
260,000	219,304	1,543,551	1,324,247
<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
-	(40,696)	1,283,551	1,324,247
<u>-</u>	<u>40,696</u>	<u>5,108,289</u>	<u>5,067,593</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,391,840</u>	<u>\$ 6,391,840</u>

City of Peekskill, New York

Section 8 Housing Fund
Comparative Balance Sheet
December 31,

	2022	2021
ASSETS		
Cash and equivalents	<u>\$ 199,299</u>	<u>\$ 241,418</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 147	\$ 4,823
Accrued liabilities	14,313	20,684
Unearned revenue	-	47,999
Due to other funds	<u>21,305</u>	<u>-</u>
Total Liabilities	35,765	73,506
Fund balance		
Restricted	<u>163,534</u>	<u>167,912</u>
Total Liabilities and Fund Balance	<u>\$ 199,299</u>	<u>\$ 241,418</u>

See independent auditors' report.

City of Peekskill, New York

Section 8 Housing Fund

Comparative Statement of Revenues, Expenditures and Changes

In Fund Balance

Years Ended December 31,

	2022	2021
REVENUES		
Federal aid	\$ 8,417,886	\$ 7,656,342
Miscellaneous	9,970	13,961
Total Revenues	8,427,856	7,670,303
EXPENDITURES		
Current		
Home and community services	8,432,234	8,045,901
Deficiency of Revenues Over Expenditures	(4,378)	(375,598)
FUND BALANCE		
Beginning of Year	167,912	543,510
End of Year	\$ 163,534	\$ 167,912

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
Combining Balance Sheet - Sub-Funds
December 31, 2022
(With Comparative Totals for 2021)

	Community Development	Urban County Consortium	Totals	
			2022	2021
ASSETS				
Cash and equivalents	\$ 1,844,171	\$ 3,865	\$ 1,848,036	\$ 1,891,315
Loans receivable	<u>781,210</u>	<u>-</u>	<u>781,210</u>	<u>822,043</u>
Total Assets	<u>\$ 2,625,381</u>	<u>\$ 3,865</u>	<u>\$ 2,629,246</u>	<u>\$ 2,713,358</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 781,210	\$ -	\$ 781,210	\$ 822,043
Fund balances				
Restricted	<u>1,844,171</u>	<u>3,865</u>	<u>1,848,036</u>	<u>1,891,315</u>
Total Liabilities and Fund Balances	<u>\$ 2,625,381</u>	<u>\$ 3,865</u>	<u>\$ 2,629,246</u>	<u>\$ 2,713,358</u>

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub-Funds
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Community Development	Urban County Consortium	Totals	
			2022	2021
REVENUES				
Use of money and property	\$ 13,854	\$ 34	\$ 13,888	\$ 34,841
Miscellaneous	40,833	-	40,833	77,049
Total Revenues	54,687	34	54,721	111,890
EXPENDITURES	-	-	-	-
Excess of Revenues Over Expenditures	54,687	34	54,721	111,890
OTHER FINANCING USES				
Transfers out	(98,000)	-	(98,000)	(98,000)
Net Change in Fund Balances	(43,313)	34	(43,279)	13,890
FUND BALANCES				
Beginning of Year	1,887,484	3,831	1,891,315	1,877,425
End of Year	<u>\$ 1,844,171</u>	<u>\$ 3,865</u>	<u>\$ 1,848,036</u>	<u>\$ 1,891,315</u>

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NON-MAJOR GOVERNMENTAL FUNDS

- **Sewer Fund** – The Sewer fund is used to record the sewer utility operations of the City, which render services on a user charge basis to the general public.
- **Recreation Fund** – The Recreation fund is established to account for fees received from local developers to be used for recreational facilities and park improvements.
- **Special Purpose Fund** – The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.
- **Debt Service Fund** – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.
- **Permanent Fund** – The Permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

City of Peekskill, New York

Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2022
(With Comparative Totals for 2021)

	Sewer	Recreation	Special Purpose
ASSETS			
Cash and equivalents	\$ 2,440,070	\$ 1,352,868	\$ 80,729
Receivables			
Sewer rents	498,153	-	-
Due from other funds	-	-	-
	498,153	-	-
Prepaid expenditures	35,021	-	-
Total Assets	<u>\$ 2,973,244</u>	<u>\$ 1,352,868</u>	<u>\$ 80,729</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 32,000	\$ -	\$ -
Accrued liabilities	7,630	-	-
Due to other funds	4,557	-	-
Total Liabilities	<u>44,187</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	35,021	-	-
Restricted	-	-	80,729
Committed	12,344	1,352,868	-
Assigned	2,881,692	-	-
Total Fund Balances	<u>2,929,057</u>	<u>1,352,868</u>	<u>80,729</u>
Total Liabilities and Fund Balances	<u>\$ 2,973,244</u>	<u>\$ 1,352,868</u>	<u>\$ 80,729</u>

See independent auditors' report.

	Total Non-Major Governmental Funds	
Permanent	2022	2021
<u>\$ 102,494</u>	<u>\$ 3,976,161</u>	<u>\$ 3,434,317</u>
-	498,153	446,306
<u>-</u>	<u>-</u>	<u>12,344</u>
-	498,153	458,650
<u>-</u>	<u>35,021</u>	<u>60,120</u>
<u>\$ 102,494</u>	<u>\$ 4,509,335</u>	<u>\$ 3,953,087</u>
\$ -	\$ 32,000	\$ 11,428
-	7,630	7,789
<u>-</u>	<u>4,557</u>	<u>-</u>
-	44,187	19,217
100,000	135,021	160,120
2,494	83,223	80,670
-	1,365,212	1,166,356
<u>-</u>	<u>2,881,692</u>	<u>2,526,724</u>
102,494	4,465,148	3,933,870
<u>\$ 102,494</u>	<u>\$ 4,509,335</u>	<u>\$ 3,953,087</u>

City of Peekskill, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended December 31, 2022

(With Comparative Totals for 2021)

	Sewer	Recreation	Special Purpose
REVENUES			
Departmental income	\$ 1,693,813	\$ 265,500	\$ -
Use of money and property	-	31	-
Miscellaneous	-	-	43,512
Total Revenues	1,693,813	265,531	43,512
EXPENDITURES			
Current			
Culture and recreation	-	-	41,110
Home and community services	769,436	-	-
Debt service			
Principal	129,200	-	-
Interest	5,308	-	-
Total Expenditures	903,944	-	41,110
Excess of Revenues Over Expenditures	789,869	265,531	2,402
OTHER FINANCING USES			
Transfers out	(460,000)	(66,675)	-
Net Change in Fund Balances	329,869	198,856	2,402
FUND BALANCES			
Beginning of Year	2,599,188	1,154,012	78,327
End of Year	\$ 2,929,057	\$ 1,352,868	\$ 80,729

See independent auditors' report.

Permanent	Total Non-Major Governmental Funds	
	2022	2021
\$ -	\$ 1,959,313	\$ 1,759,605
151	182	15
-	43,512	20,277
151	2,003,007	1,779,897
-	41,110	10,531
-	769,436	730,136
-	129,200	130,900
-	5,308	17,974
-	945,054	889,541
151	1,057,953	890,356
-	(526,675)	(504,459)
151	531,278	385,897
102,343	3,933,870	3,547,973
<u>\$ 102,494</u>	<u>\$ 4,465,148</u>	<u>\$ 3,933,870</u>

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City of Peekskill, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 2,440,070	\$ 2,099,635
Receivables		
Sewer rents receivables	498,153	446,306
Due from other funds	-	12,344
	498,153	458,650
Prepaid expenditures	35,021	60,120
Total Assets	\$ 2,973,244	\$ 2,618,405
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 32,000	\$ 11,428
Accrued liabilities	7,630	7,789
Due to other funds	4,557	-
Total Liabilities	44,187	19,217
Fund balance		
Nonspendable	35,021	60,120
Committed	12,344	12,344
Assigned	2,881,692	2,526,724
Total Fund Balance	2,929,057	2,599,188
Total Liabilities and Fund Balance	\$ 2,973,244	\$ 2,618,405

See independent auditors' report.

City of Peekskill, New York

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

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 1,654,005	\$ 1,654,005	\$ 1,693,813	\$ 39,808
EXPENDITURES				
Current				
Home and community services	1,125,636	1,125,636	769,436	356,200
Debt service				
Principal	129,200	129,200	129,200	-
Interest	5,308	5,308	5,308	-
Total Expenditures	1,260,144	1,260,144	903,944	356,200
Excess of Revenues Over Expenditures	393,861	393,861	789,869	396,008
OTHER FINANCING USES				
Transfers out	(460,000)	(460,000)	(460,000)	-
Net Change in Fund Balance	(66,139)	(66,139)	329,869	396,008
FUND BALANCE				
Beginning of Year	66,139	66,139	2,599,188	2,533,049
End of Year	\$ -	\$ -	\$ 2,929,057	\$ 2,929,057

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
<u>\$ 1,726,000</u>	<u>\$ 1,726,000</u>	<u>\$ 1,606,506</u>	<u>\$ (119,494)</u>
1,148,371	1,138,793	730,136	408,657
130,900	130,900	130,900	-
<u>8,396</u>	<u>17,974</u>	<u>17,974</u>	<u>-</u>
<u>1,287,667</u>	<u>1,287,667</u>	<u>879,010</u>	<u>408,657</u>
438,333	438,333	727,496	289,163
<u>(460,000)</u>	<u>(460,000)</u>	<u>(460,000)</u>	<u>-</u>
(21,667)	(21,667)	267,496	289,163
<u>21,667</u>	<u>21,667</u>	<u>2,331,692</u>	<u>2,310,025</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,599,188</u>	<u>\$ 2,599,188</u>

City of Peekskill, New York

Recreation Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 1,352,868</u>	<u>\$ 1,154,012</u>
FUND BALANCE		
Committed	<u>\$ 1,352,868</u>	<u>\$ 1,154,012</u>

See independent auditors' report.

City of Peekskill, New York

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

	<u>2022</u>	<u>2021</u>
REVENUES		
Departmental income	\$ 265,500	\$ 153,099
Use of money and property	<u>31</u>	<u>6</u>
Total Revenues	265,531	153,105
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	265,531	153,105
OTHER FINANCING USES		
Transfers out	<u>(66,675)</u>	<u>(44,459)</u>
Net Change in Fund Balance	198,856	108,646
FUND BALANCE		
Beginning of Year	<u>1,154,012</u>	<u>1,045,366</u>
End of Year	<u><u>\$ 1,352,868</u></u>	<u><u>\$ 1,154,012</u></u>

See independent auditors' report.

City of Peekskill, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 80,729</u>	<u>\$ 78,327</u>
FUND BALANCE		
Restricted	<u>\$ 80,729</u>	<u>\$ 78,327</u>

See independent auditors' report.

City of Peekskill, New York

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

	<u>2022</u>	<u>2021</u>
REVENUES		
Miscellaneous	\$ 43,512	\$ 20,277
EXPENDITURES		
Current		
Culture and recreation	<u>41,110</u>	<u>10,531</u>
Excess of Revenues Over Expenditures	2,402	9,746
FUND BALANCE		
Beginning of Year	<u>78,327</u>	<u>68,581</u>
End of Year	<u><u>\$ 80,729</u></u>	<u><u>\$ 78,327</u></u>

See independent auditors' report.

City of Peekskill, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 102,494</u>	<u>\$ 102,343</u>
FUND BALANCE		
Nonspendable	\$ 100,000	\$ 100,000
Restricted	<u>2,494</u>	<u>2,343</u>
Total Fund Balance	<u>\$ 102,494</u>	<u>\$ 102,343</u>

See independent auditors' report.

City of Peekskill, New York

Permanent Fund

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

	<u>2022</u>	<u>2021</u>
REVENUES		
Use of money and property	\$ 151	\$ 9
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	151	9
FUND BALANCE		
Beginning of Year	<u>102,343</u>	<u>102,334</u>
End of Year	<u>\$ 102,494</u>	<u>\$ 102,343</u>

See independent auditors' report.

City of Peekskill, New York

Schedule of Net Investment in Capital Assets
Year Ended December 31, 2022

Capital Assets, net		\$ 113,639,527
Less		
Bonds payable - Capital construction	\$ (39,175,000)	
Bond anticipation notes payable	(1,750,000)	
Notes payable - Financed purchases	(6,508,007)	
Unamortized portion of premium on bonds	<u>(196,736)</u>	(47,629,743)
Plus		
Unamortized portion of loss on bonds		860,854
Unspent debt proceeds		<u>3,394,339</u>
Net Investment in Capital Assets		<u><u>\$ 70,264,977</u></u>

STATISTICAL SECTION
(UNAUDITED)

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

City of Peekskill, New York

Net Position by Component
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 26,472,465	\$ 33,093,116	\$ 39,962,538	\$ 40,538,429	\$ 39,200,050	\$ 51,480,424	\$ 59,435,215	\$ 65,444,898	\$ 64,159,500	\$ 70,264,977
Restricted	9,870,336	10,388,723	8,960,394	11,808,737	12,084,931	12,563,409	9,869,540	10,110,497	11,713,459	12,806,903
Unrestricted	<u>(19,108,958)</u>	<u>(24,047,541)</u>	<u>(17,426,533)</u>	<u>(15,856,956)</u>	<u>(18,342,178)</u>	<u>(155,517,882)</u>	<u>(157,133,334)</u>	<u>(162,157,970)</u>	<u>(160,566,964)</u>	<u>(160,410,970)</u>
Total Governmental Activities										
Net Position	<u>\$ 17,233,843</u>	<u>\$ 19,434,298</u>	<u>\$ 31,496,399</u>	<u>\$ 36,490,210</u>	<u>\$ 32,942,803</u>	<u>\$ (91,474,049)</u>	<u>\$ (87,828,579)</u>	<u>\$ (86,602,575)</u>	<u>\$ (84,694,005)</u>	<u>\$ (77,339,090)</u>

City of Peekskill, New York

**Changes In Net Position
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Government activities										
General government support	\$ 7,856,347	\$ 6,062,692	\$ 5,140,331	\$ 6,002,382	\$ 7,310,424	\$ 6,489,230	\$ 6,766,349	\$ 8,648,381	\$ 8,146,513	\$ 8,457,473
Public safety	18,202,444	18,292,112	16,733,521	18,784,621	21,404,266	21,920,857	22,530,130	25,796,761	21,403,051	22,911,119
Health	209,327	252,607	225,287	141,690	209,569	372,518	383,494	479,063	232,352	764,086
Transportation	3,182,830	3,205,170	3,275,094	3,623,895	3,773,902	4,398,478	4,273,190	3,806,577	3,151,639	4,039,683
Economic opportunity and development	598,444	511,833	506,821	509,346	502,648	621,237	654,484	581,409	575,968	640,379
Culture and recreation	3,791,401	4,167,688	3,660,152	4,051,246	5,170,211	4,003,911	4,568,707	3,537,636	4,043,614	4,660,621
Home and community services	15,666,450	15,456,148	15,989,104	16,993,080	16,038,191	16,107,984	17,409,147	16,501,997	18,455,576	18,488,920
Interest	1,986,412	2,048,315	1,763,417	1,620,308	1,669,286	1,626,388	1,458,583	1,471,332	1,360,855	1,228,209
Total Governmental Activities Expenses	51,493,655	49,996,565	47,293,727	51,726,568	56,078,497	55,540,603	58,044,084	60,823,156	57,369,568	61,190,490
PROGRAM REVENUES										
Charges for Services										
General government support	553,420	578,462	775,078	574,543	622,453	2,625,479	2,431,620	2,466,245	2,519,040	2,669,827
Public safety	861,232	952,023	978,547	1,874,969	1,882,298	1,332,334	1,368,075	769,780	866,442	1,215,000
Health	36,907	6,334	14,425	31,912	102,334	11,918	116,990	81,834	76,913	98,111
Transportation	968,734	951,587	1,004,950	1,226,441	1,218,229	1,259,735	1,229,661	753,343	799,904	1,061,076
Economic opportunity and development	-	-	-	-	-	134,526	124,246	103,665	65,142	41,531
Culture and recreation	462,710	431,161	432,777	466,175	463,799	1,294,312	620,311	360,057	561,228	750,951
Home and community services	8,376,435	9,992,915	10,293,121	10,518,265	10,824,586	9,492,715	9,604,945	11,311,834	10,670,877	11,145,943
Operating Grants and Contributions	8,154,088	7,099,885	7,924,609	7,341,583	7,774,164	7,669,366	9,288,103	9,197,110	8,837,808	9,316,634
Capital Grants and Contributions	550,326	3,442,307	7,184,087	1,831,080	1,768,803	1,760,746	2,844,445	3,102,842	4,902,876	4,152,765
Total Program Revenues	19,963,852	23,454,674	28,607,594	23,864,968	24,656,666	25,581,131	27,628,396	28,146,710	29,300,230	30,451,838
Governmental Activities Net Expense	(31,529,803)	(26,541,891)	(18,686,133)	(27,861,600)	(31,421,831)	(29,959,472)	(30,415,688)	(32,676,446)	(28,069,338)	(30,738,652)
GENERAL REVENUES										
Real property taxes	14,676,951	14,764,723	15,221,101	15,929,281	16,188,524	16,800,462	17,076,412	17,227,590	18,846,022	18,017,913
Other tax items										
Interest and penalties on real property taxes	298,658	321,244	881,081	343,896	418,474	354,854	424,781	248,033	412,973	366,542
Gain on sale of tax acquired property	-	312,227	63,240	-	679,200	571,355	591,185	-	162,500	589
Payments in lieu of taxes	5,411,748	5,672,087	5,657,336	5,832,758	6,056,752	6,236,721	6,446,712	6,677,161	6,834,420	7,009,872
Real estate transfer tax	510,277	593,583	1,389,828	964,177	1,308,940	1,450,932	1,431,376	1,058,129	1,231,847	1,479,430
Non-property taxes	3,953,649	4,163,848	4,156,767	4,221,507	4,223,139	4,656,721	5,046,559	5,737,077	6,779,704	7,507,867
Unrestricted Use of Money and Property	4,023	4,286	3,436	3,650	8,556	29,080	82,982	50,985	22,568	79,854
Sale of property and compensation for loss	28,238	28,130	65,656	30,173	12,903	25,469	72,229	2,251	7,781	42,983
Unrestricted State aid	2,556,653	2,486,837	2,629,272	2,571,742	2,614,060	2,731,477	2,798,015	2,674,461	3,161,309	3,187,158
Miscellaneous	34,405	180,357	300,781	107,105	279,221	83,308	36,042	85,430	86,068	301,406
Insurance recoveries	103,766	215,024	193,316	197,548	74,516	130,608	54,865	141,333	94,535	99,953
Total General Revenue	27,578,368	28,742,346	30,561,814	30,201,837	31,864,285	33,070,987	34,061,158	33,902,450	37,639,727	38,093,567
Change in Net Position	\$ (3,951,435)	\$ 2,200,455	\$ 11,875,681	\$ 2,340,237	\$ 442,454	\$ 3,111,515	\$ 3,645,470	\$ 1,226,004	\$ 9,570,389	\$ 7,354,915

City of Peekskill, New York

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 2,100,922	\$ 2,078,498	\$ 1,634,045	\$ 1,309,354
Restricted	3,096,163	3,115,738	3,098,483	6,882,176
Committed	937,975	937,975	1,783,975	2,783,975
Assigned	261,911	705,097	969,224	533,141
Unassigned	803,192	496,988	1,590,953	2,625,782
Total General Fund	<u>\$ 7,200,163</u>	<u>\$ 7,334,296</u>	<u>\$ 9,076,680</u>	<u>\$ 14,134,428</u>
All Other Governmental Funds				
Nonspendable	\$ 181,930	\$ 184,321	\$ 232,374	\$ 193,809
Restricted	14,414,786	9,762,026	4,063,447	115,617
Committed	500,789	500,793	493,891	777,390
Assigned	216,600	351,700	194,465	7,019,021
Unassigned	-	-	-	(539,655)
Unreserved, Reported in				
Major Funds	3,963,513	3,271,799	3,164,483	-
Non Major Funds	4,339,966	4,550,695	4,601,609	-
Total All Other Governmental Funds	<u>\$ 23,617,584</u>	<u>\$ 18,621,334</u>	<u>\$ 12,750,269</u>	<u>\$ 7,566,182</u>
Total Governmental Funds	<u>\$ 30,817,747</u>	<u>\$ 25,955,630</u>	<u>\$ 21,826,949</u>	<u>\$ 21,700,610</u>

2017	2018	2019	2020	2021	2022
\$ 1,663,303	\$ 1,535,350	\$ 1,358,529	\$ 1,593,723	\$ 1,227,320	\$ 1,283,403
8,410,442	8,609,430	8,376,139	8,629,080	8,989,887	8,893,314
873,975	873,975	873,975	873,975	873,975	873,975
1,669,275	1,954,746	1,871,935	2,324,918	1,709,381	2,387,401
2,826,512	3,339,464	4,802,441	5,512,804	8,921,373	7,583,438
<u>\$ 15,443,507</u>	<u>\$ 16,312,965</u>	<u>\$ 17,283,019</u>	<u>\$ 18,934,500</u>	<u>\$ 21,721,936</u>	<u>\$ 21,021,531</u>
\$ 342,978	\$ 434,660	\$ 488,466	\$ 466,063	\$ 435,323	\$ 431,179
6,754,259	72,498	2,090,424	2,491,850	2,139,897	2,932,605
865,921	1,270,801	838,356	1,045,366	1,166,356	1,365,212
6,974,810	5,962,653	4,407,841	7,073,918	8,643,361	11,001,195
-	(432,883)	(272,944)	(107,909)	(1,056,299)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,937,968</u>	<u>\$ 7,307,729</u>	<u>\$ 7,552,143</u>	<u>\$ 10,969,288</u>	<u>\$ 11,328,638</u>	<u>\$ 15,730,191</u>
<u>\$ 30,381,475</u>	<u>\$ 23,620,694</u>	<u>\$ 24,835,162</u>	<u>\$ 29,903,788</u>	<u>\$ 33,050,574</u>	<u>\$ 36,751,722</u>

City of Peekskill, New York

Changes In Fund Balances of Governmental Funds Last Ten Fiscal Years

	2013	2014	2015	2016
REVENUES				
Real property taxes	\$ 14,614,316	\$ 14,057,239	\$ 15,496,328	\$ 16,328,161
Other tax items	6,220,683	6,899,141	7,991,485	7,140,831
Non-property taxes	3,953,649	4,163,848	4,156,767	4,221,507
Departmental income	9,899,512	11,420,772	11,969,556	12,738,828
Charges for Service	222,949	195,000	235,000	230,000
Use of money and property	389,504	384,863	357,041	413,543
Changes in fair value of investments	-	-	-	77,152
Licenses and permits	308,719	372,919	466,504	1,035,930
Fines and forfeitures	654,355	712,212	674,840	875,113
Sale of property and compensation for loss	28,238	28,130	65,656	30,173
State aid	2,999,878	6,008,711	7,510,427	4,362,086
Federal aid	7,401,063	6,407,808	7,276,203	6,301,710
Miscellaneous	670,438	557,520	3,086,869	503,400
Total Revenues	47,363,304	51,208,163	59,286,676	54,258,434
EXPENDITURES				
Current				
General government support	6,692,018	4,428,898	3,981,018	3,785,707
Public safety	15,269,053	12,129,990	11,999,014	12,300,725
Health	209,327	252,607	225,287	136,060
Transportation	2,423,946	2,196,806	2,370,074	2,226,156
Economic opportunity and development	544,093	450,117	431,911	428,847
Culture and recreation	2,977,768	2,630,915	2,580,986	2,374,962
Home and community services	14,424,989	13,106,985	13,165,156	13,519,608
Employee benefits	2,517,379	8,324,724	8,786,602	9,472,407
Debt service				
Principal	5,123,745	3,916,797	4,779,256	3,921,776
Interest	1,897,021	2,189,428	1,783,212	1,578,945
Refunding bond issuance costs	-	80,137	416,888	-
Advance refunding escrow	-	-	1,963,950	-
Capital outlay	3,481,518	8,042,065	11,542,207	7,520,802
Total Expenditures	55,560,857	57,749,469	64,025,561	57,265,995
Excess (Deficiency) of Revenues Over Expenditures	(8,197,553)	(6,541,306)	(4,738,885)	(3,007,561)
OTHER FINANCING SOURCES (USES)				
Transfers in	918,218	1,445,166	1,754,939	1,841,758
Transfers out	(918,218)	(1,445,166)	(1,754,939)	(1,841,758)
Insurance recoveries	103,766	309,787	193,316	197,548
Bonds issued	11,713,700	-	-	-
Refunding bonds issued	-	3,270,000	26,125,000	-
Payment to refunded bond escrow agent	-	(3,298,007)	(25,708,112)	-
Issuance premium	-	108,144	-	30,100
Notes issued	-	189,265	-	-
Bond anticipation notes issued	-	1,100,000	-	-
Total Other Financing Sources (Uses)	11,817,466	1,679,189	610,204	227,648
Net Change in Fund Balances	\$ 3,619,913	\$ (4,862,117)	\$ (4,128,681)	\$ (2,779,913)
Debt Service as a Percentage of Non-Capital Expenditures	15.5%	13.8%	14.2%	10.8%

2017	2018	2019	2020	2021	2022
\$ 16,285,502	\$ 16,710,244	\$ 16,946,996	\$ 17,186,004	\$ 18,087,765	\$ 17,777,993
8,463,366	8,613,862	8,894,054	7,983,323	8,641,740	8,856,433
4,223,139	4,656,721	5,046,559	5,737,077	6,779,704	7,507,867
12,889,756	13,662,068	13,364,814	13,988,013	13,574,779	14,607,012
177,452	172,106	234,651	147,431	55,330	49,347
422,429	273,964	870,545	751,505	383,258	533,515
263,652	-	-	-	284,586	(457,386)
915,930	924,471	477,738	825,182	857,331	765,574
870,796	1,083,346	974,223	467,634	746,272	1,004,174
12,903	25,469	248,506	2,251	7,781	671,033
4,021,034	4,510,909	4,750,980	5,760,178	3,746,036	4,763,423
7,047,453	6,544,748	9,249,115	8,492,503	8,278,236	10,008,632
971,229	440,331	499,123	460,269	4,721,396	2,025,820
56,564,641	57,618,239	61,557,304	61,801,370	66,164,214	68,113,437
4,310,310	4,256,940	4,380,526	4,440,270	4,879,243	4,923,525
12,726,377	13,088,165	12,774,010	13,265,533	12,823,233	15,651,496
209,569	297,125	266,499	401,674	132,832	607,932
2,386,106	2,579,699	2,552,059	2,101,841	2,046,194	2,785,708
435,518	553,459	573,087	528,741	529,954	604,642
2,551,522	2,552,370	2,759,423	1,958,674	2,616,787	2,978,070
13,478,566	14,463,633	15,511,396	14,413,874	15,059,473	16,432,874
9,895,700	10,527,985	10,586,830	10,513,064	11,269,440	11,587,647
4,051,898	4,721,904	4,810,183	4,768,919	4,997,365	4,777,283
1,515,780	1,543,257	1,377,695	1,368,680	1,284,769	1,160,923
388,148	-	-	-	-	-
-	-	-	-	-	-
11,531,935	9,925,091	4,884,938	7,915,819	6,526,266	5,437,062
63,481,429	64,509,628	60,476,646	61,677,089	62,165,556	66,947,162
(6,916,788)	(6,891,389)	1,080,658	124,281	3,998,658	1,166,275
2,573,749	2,179,842	2,749,057	833,000	1,362,459	1,474,675
(2,573,749)	(2,179,842)	(2,749,057)	(833,000)	(1,362,459)	(1,474,675)
74,516	130,608	54,865	141,333	94,535	99,953
14,610,000	-	-	-	-	-
12,810,000	-	-	-	-	-
(12,663,805)	-	-	-	-	-
241,953	-	-	-	-	-
524,989	-	78,945	4,803,012	-	2,434,920
-	-	-	-	-	-
15,597,653	130,608	133,810	4,944,345	94,535	2,534,873
\$ 8,680,865	\$ (6,760,781)	\$ 1,214,468	\$ 5,068,626	\$ 4,093,193	\$ 3,701,148
10.3%	11.4%	11.1%	11.4%	11.4%	9.6%

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

City of Peekskill, New York**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

<u>Year</u>	<u>Total Taxable Assessed Value</u>	<u>State Special Equalization Rate (1)</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
2013	\$ 62,499,541	3.85 %	\$ 1,445,878,341	\$ 261.15
2014	61,883,593	4.28	1,567,522,418	272.97
2015	62,874,456	3.97	1,653,730,536	277.82
2016	61,684,149	3.73	1,694,746,110	299.31
2017	61,858,233	3.65	1,777,535,431	301.85
2018	62,393,182	3.48	1,761,101,039	309.35
2019	62,628,143	3.56	1,981,400,440	315.19
2020	63,008,534	3.18	1,981,400,440	316.95
2021	63,566,214	2.83	2,246,155,972	325.20
2022	63,952,053	2.58	2,478,761,744	332.50

(1) Provided by the New York State Office of Real Property Services.

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

City of Peekskill, New York

Direct and Overlapping Property Tax Rates, per \$1,000 of Assessed Valuation
Last Ten Fiscal Years

Year	Overlapping Rates						
	Total Direct Rate (1)	Westchester County			Peekskill School District	Hendrick Hudson School District	Hudson School Library
		Operating	Sewer Districts	Refuse Disposal District			
2013	\$ 261.15	\$ 95.95	\$ 12.77	\$ 9.47	\$ 660.22	\$ 472.35	\$ 9.33
2014	272.97	93.70	13.58	9.13	668.78	468.95	9.41
2015	277.82	86.01	14.88	8.04	688.51	468.44	9.57
2016	299.31	89.94	18.88	8.22	698.82	486.10	10.08
2017	301.85	89.64	18.83	8.08	703.75	476.69	10.28
2018	309.35	92.37	18.80	8.11	712.15	497.02	11.48
2019	315.19	88.90	20.51	7.51	724.17	476.54	11.20
2020	316.95	96.80	21.45	8.11	734.67	531.33	12.35
2021	325.20	107.55	18.20	10.03	738.21	602.70	14.26
2022	332.50	100.56	24.01	10.72	756.40	608.59	14.88

(1) A single direct property tax rate applies to all classes of real property

City of Peekskill, New York

Principal Taxpayers
Current Year and Nine Years Ago

2022				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison of NY	Utility	\$ 2,846,595	4.45 %
2	Beach Improvements Owner LLC	Shopping Center	850,000	1.33
3	64 JWB LLC	Laundry Services	247,300	0.39
4	Consolidated Edison of NY	Utility	720,567	1.13
5	Crompond Apartment Owners Corp.	Apts & Vac Land	563,600	0.88
6	Hampton Oaks Inc.	Apartments	330,000	0.52
7	Drum Hill Associates	Retail	210,900	0.33
8	BNS 1 LLC	Retail	405,000	0.63
9	Peekskill Towers Corp.	Co-Op Apartments	412,925	0.65
10	River Ridge Owners Corp.	Co-Op Apartments	390,000	0.61
			<u>\$ 6,976,887</u>	<u>9.66%</u>
2013				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison of NY	Utility	\$ 2,579,357	4.03 %
2	Beach Improvements Owner LLC	Shopping Center	850,000	1.33
3	64 JWB LLC	Laundry Services	311,900	0.49
4	Consolidated Edison of NY	Utility	605,035	0.95
5	Crompond Apartment Owners Corp.	Apts & Vac Land	563,600	0.88
9	Peekskill Towers Corp.	Co-Op Apartments	485,790	0.76
10	River Ridge Owners Corp.	Co-Op Apartments	390,000	0.61
6	Hampton Oaks Inc.	Apartments	332,000	0.52
7	Mearl Corporation	Manufacturing	322,931	0.50
8	Crossroads Associates LLC	Apartments	304,000	0.48
			<u>\$ 6,744,613</u>	<u>10.55%</u>

Source: City of Peekskill, Assessor's Office.

City of Peekskill, New York

Property Tax Levies and Collections Last Ten Fiscal Years

Year	City Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 14,500,000	\$ 14,086,540	97.15 %	\$ 413,460	\$ 14,500,000	100.00 %
2014	14,740,700	14,315,904	97.12	424,796	14,740,700	100.00
2015	15,170,000	14,868,069	98.01	301,931	15,170,000	100.00
2016	16,000,000	15,630,411	97.69	368,555	15,998,966	99.99
2017	16,152,000	15,816,065	97.92	320,565	16,136,630	99.90
2018	16,650,000	16,312,232	97.97	261,328	16,573,560	99.54
2019	16,990,000	16,678,597	98.17	213,377	16,891,974	99.42
2020	17,260,000	16,915,055	98.00	178,624	17,093,679	99.04
2021	17,945,000	17,594,180	98.05	350,820	17,945,000	100.00
2022	18,230,000	18,217,306	99.93	125,473	18,342,779	100.62

Source: City of Peekskill Finance Department; collections as of April 5, 2023

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

City of Peekskill, New York

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Notes Payable	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)	Percentage Personal Income (1)
2013	\$ 62,048,343	\$ 798,557	\$ 62,846,900	4.35 %	\$ 2,620	8.81 %
2014	59,553,577	790,025	60,343,602	3.85	2,508	8.44
2015	55,015,951	445,469	55,461,420	3.35	2,272	7.65
2016	51,274,025	223,693	51,497,718	3.04	2,142	7.09
2017	62,656,422	496,784	63,153,206	3.55	2,626	8.54
2018	58,091,880	314,880	58,406,760	3.32	2,406	7.81
2019	53,414,344	238,642	53,652,986	2.71	2,235	7.19
2020	48,896,808	4,767,735	53,664,543	2.71	2,229	6.87
2021	44,274,272	4,370,370	48,644,642	2.17	1,913	5.89
2022	39,575,000	4,085,027	43,660,027	1.76	1,725	4.40

(1) Population and personal income data can be found in the schedules of demographic and economic

(2) Value of property can be found in the revenue capacity statistic section

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Peekskill, New York

Direct and Overlapping Governmental Activities Debt
December 31, 2022

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Peekskill (1)</u>	<u>Amount Applicable to City of Peekskill (1)</u>
County of Westchester	\$ 1,323,832,508	1.97%	\$ 26,038,164
School Districts (June 30, 2022)			
Peekskill School District	50,531,039	100%	50,531,039
Net Overlapping Debt			76,569,203
City Direct Debt			<u>43,660,027</u>
Net Direct and Overlapping Debt			<u><u>\$ 120,229,230</u></u>

(1) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Source: Peekskill School and Hendrick Hudson School Districts and Westchester County Finance

Note: Overlapping governments are those that coincide, at least in part, with the geographic

City of Peekskill, New York

Legal Debt Margin Information Last Ten Fiscal Years

	2013	2014	2015	2016
Debt Limit	\$ 121,756,966	\$ 114,144,271	\$ 111,619,576	\$ 111,793,389
Total Net Debt Applicable to Limit	61,928,000	59,355,700	55,015,951	51,274,025
Legal Debt Margin	<u>\$ 59,828,966</u>	<u>\$ 54,788,571</u>	<u>\$ 56,603,625</u>	<u>\$ 60,519,364</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	50.86%	52.00%	49.29%	45.86%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessment Roll		Assessed Valuation	State Special Equalization Ratio		Full Valuation
Fiscal Year	Budget Year				
2021	2022	\$ 63,377,824	2.58 %	\$	2,456,504,806
2020	2021	63,566,214	2.83		2,246,155,972
2019	2020	63,008,534	3.18		1,981,400,440
2018	2019	62,628,143	3.56		1,759,217,500
2017	2018	62,393,182	3.48		1,792,907,529
Total Five Year Full Valuation					<u>\$ 10,236,186,247</u>
Five Year Average Full Valuation of Taxable Real Property					<u>\$ 2,047,237,249</u>
Debt Limit - 7% of Five Year Average Full Valuation					<u>143,306,607</u>
Outstanding City Debt					
Serial Bonds					46,094,947
TAN Anticipation Notes					-
% of Debt Contracting Capacity - Full debt, no exclusions					<u>32.2%</u>
Excluded Debt					
Water					15,970,000
Sewer					395,000
Central Firehouse Debt					1,036,238
Net Indebtedness Subject to Debt Limit					<u>\$ 28,693,709</u>
					<u>20.0%</u>
Net Debt Contracting Margin					<u>\$ 114,612,898</u>
% of Debt Contracting Capacity, less exclusions					<u>80.0%</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 113,580,495	\$ 118,403,613	\$ 118,780,776	\$ 124,348,030	\$ 132,641,986	\$ 143,306,607
<u>62,955,000</u>	<u>58,215,000</u>	<u>53,414,344</u>	<u>51,896,808</u>	<u>44,274,272</u>	<u>28,693,709</u>
<u>\$ 50,625,495</u>	<u>\$ 60,188,613</u>	<u>\$ 65,366,432</u>	<u>\$ 72,451,222</u>	<u>\$ 88,367,714</u>	<u>\$ 114,612,898</u>
55.43%	49.17%	44.97%	41.74%	33.38%	

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

City of Peekskill, New York

Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ended Dec. 31,	Population (1)	Median Age (1)	Personal Income	Per Capita Income (1)	Median Household Income (1)	Median Family Income (1)	Unemployment Rate (2)
2013	23,988	35.0	\$ 712,995,324	\$ 29,723	\$ 51,961	\$ 51,961	5.2 %
2014	24,058	35.0	714,570,716	29,702	51,961	51,961	4.6
2015	24,409	35.0	724,996,118	29,702	51,961	51,961	4.0
2016	24,043	35.0	726,098,600	30,200	52,125	52,125	4.9
2017	24,053	35.0	739,293,008	30,736	55,453	55,453	4.7
2018	24,272	35.0	747,698,960	30,805	54,839	54,839	5.8
2019	24,008	39.3	746,048,600	31,075	54,494	54,494	3.7
2020	24,075	38.7	781,474,500	32,460	57,206	54,494	6.2
2021	25,431	38.7	825,490,260	32,460	57,206	52,645	5.2
2022	25,304	40.8	991,992,712	39,203	75,642	75,642	3.0

Sources:

(1) U.S. Bureau of Census (2020 Census); Censusreporter.org

(2) New York State Department of Labor - unemployment rates not seasonally adjusted.

City of Peekskill, New York

Principal Employers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2022	
		Employees	Percentage of Total Employment
White Plains Linen	Coat/Apron Supply Service	520	6.42 %
Peekskill School District	Education	480	5.93
Super Stop & Shop	Retail/Grocery	355	4.38
All County's Putnam Taxi	Taxi/Transportation	275	3.40
BASF Corporation	Manufacturing	271	3.35
Sun River Health	Health	250	3.09
D. Bertoline & Sons	Beer/Ale Wholesale	120	1.48
Emerald Peek Rehabilitation	Health Services	120	1.48
Wheelabrator	Manufacturing	71	0.88
All County Transportation	Transportation	60	0.74
		<u>2,522</u>	<u>31.14 %</u>
Taxpayer	Type of Business	2013	
		Employees	Percentage of Total Employment
Entergy Northeast	Indian Point Power Plant	1,400	18.42 %
Hudson Valley Hospital Center	Health Services	700	9.21
White Plains Linen	Linen Rental	575	7.57
BASF Corp	Manufacturer	250	3.29
Hudson River Health Care	Health Services	200	2.63
West Ledge Nursing Home	Health Services	150	1.97
Mines Press	Commercial Printing	120	1.58
D. Bertoline & Sons, Inc	Food and Beverage	120	1.58
Frank & Lindy Plumbing	Plumbing Contractor	85	1.12
Wheelabrator Westchester LLP	Solid Waste Disposal	66	0.87
		<u>3,666</u>	<u>48.24 %</u>

Source: City of Peekskill Finance Department

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent City Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Peekskill, New York

Full-Time Equivalent City Government Employees By Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,				
	2013	2014	2015	2016	2017
General Government	84	84	84	83	80
Public Safety	86	84	84	84	83
Transportation	12	12	12	12	12
Economic Opportunity and Development	7	7	7	7	7
Culture and Recreation	19	19	19	19	18
Home and Community Services	19	19	19	19	17
Central Garage	4	4	4	4	4
Total	231	229	229	228	221

Source: City of Peekskill Finance Department

2018	2019	2020	2021	2022
80	80	74	74	70
83	83	73	73	87
13	13	13	13	15
7	7	7	7	7
19	19	12	11	15
18	18	17	17	20
4	4	4	4	4
224	224	200	199	218

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City of Peekskill, New York

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL GOVERNMENT SUPPORT										
Basic STAR applications	3,521	3,090	3,080	2,934	2,766	2,353	2,326	2,081	1,968	1,767
Enhanced STAR applications	648	647	650	655	622	605	628	595	581	583
Vital statistic certificates issued	1,084	914	1,051	1,920	1,094	1,250	965	1,169	772	317
PUBLIC SAFETY										
Police										
Calls for service	24,549	25,494	27,650	29,236	32,416	34,394	39,523	40,750	39,828	37,182
Part I crimes	278	241	322	197	210	272	239	209	169	344
Physical arrests	1,507	1,499	1,345	1,531	1,313	1,257	1,171	712	702	999
Parking summonses issued	8,190	9,210	10,905	19,369	15,461	17,348	17,842	2,055	14,677	15,848
Traffic violations issued	4,779	4,220	4,542	4,587	4,666	4,121	4,479	11,787	2,013	3,508
Fire										
Calls for service	3,269	3,162	2,978	3,162	2,732	2,389	2,448	1,964	2,594	2,353
Transportation										
Street lights replaced	18	18	20	1,100	20	12	-	-	-	7
Street signs replaced	550	325	275	300	250	275	300	340	140	84
ECONOMIC OPPORTUNITY AND DEVELOPMENT										
Elderly nutrition meals served	37,283	36,914	37,667	37,294	37,671	38,682	42,834	45,001	30,000	36,000
CULTURE AND RECREATION										
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball	5	5	5	5	5	5	5	5	5	5
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	5	5	5	5	5	5	5	5	5	5
Pool passes issued	1,551	1,189	1,707	1,764	1,990	2,115	1,883	-	3,261	2,089
Summer youth employment workers	144	131	134	147	134	145	170	22	85	60
HOME AND COMMUNITY SERVICES										
Tons of trash collected	7,535	7,657	7,289	7,851	8,113	7,761	8,539	8,563	8,777	8,457
Tons of material recycled	1,201	1,369	1,351	2,808	4,112	4,344	4,751	4,552	4,437	4,751
Tons of leaves/yard waste recycled	1,622	3,652	2,159	1,041	1,298	1,644	3,095	3,240	3,393	3,446
Storm water catch basins cleaned	365	325	345	300	275	475	346	402	19	19
Building, plumbing and related permits issued	1,000	1,000	1,100	1,128	1,228	1,341	2,503	2,124	1,303	1,321
Building inspections conducted	1,934	2,196	3,945	3,678	2,907	3,125	9,612	9,750	5,700	8,850
Number of sewer pumping stations	8	8	8	8	8	8	8	8	8	8
Miles of sanitary sewers	52	52	52	52	52	52	52	52	52	52

Sources: Various City departments

City of Peekskill, New York

Capital Assets Statistics By Function/Program Last Ten Fiscal Years

	2013	2014	2015	2016
GENERAL GOVERNMENT SUPPORT				
Number of general government buildings	15	15	15	15
PUBLIC SAFETY				
Number of police stations	1	1	1	1
Number of fire stations	6	6	6	6
Number of traffic signals	31	31	31	31
TRANSPORTATION				
Miles of streets (paved)	106	106	106	110
Number of street lights	1,600	1,600	1,600	1,589
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Number of Senior Citizen Centers	1	1	1	1
CULTURE AND RECREATION				
Number of parks	19	19	19	19
Acres of parks and recreation area	300	300	300	300
Number of swimming pools	1	1	1	1
HOME AND COMMUNITY SERVICES				
Number of fire hydrants	575	575	575	575
Miles of sanitary sewers	52	52	52	52
Miles of storm drains	48	48	48	48
Water mains	59	59	59	59
PARKING FACILITIES				
Number of parking structures	2	2	2	2
Number of parking lots	14	14	14	14
Parking permits issued	6,903	6,682	7,085	7,215

Sources: Various City departments

2017	2018	2019	2020	2021	2022
15	15	11	11	11	11
1	1	1	1	1	1
6	6	1	1	1	1
31	31	31	31	31	31
110	110	110	110	110	110
1,589	1,609	1,609	1,609	1,609	1,609
1	1	1	1	1	1
19	19	19	19	19	19
300	300	300	300	300	300
1	1	1	1	1	1
575	580	580	580	580	580
52	52	52	52	52	52
48	48	48	48	48	48
59	59	59	59	59	59
2	2	2	2	2	2
15	15	15	15	15	15
5,937	6,054	7,687	914	1,638	1,334

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FEDERAL AWARDS



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

Independent Auditors' Report

**The Honorable Mayor and Common Council
of the City of Peekskill, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Peekskill, New York ("City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 21, 2023



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

Independent Auditors' Report

**The Honorable Mayor and the Common Council
of the City of Peekskill, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Peekskill, New York's ("City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major program is not modified with respect to this matter.

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

Other Matters (continued)

The City's is responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The City's corrective action plan was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be significant deficiencies.

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

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

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

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
September 21, 2023

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City of Peekskill, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs				
<i>Housing Voucher Cluster</i>				
Section 8 Housing Choice Vouchers Program	14.871	n/a	\$ -	\$ 8,384,235
COVID-19 Housing Choice Vouchers Program	14.HCC	n/a	-	47,999
Indirect Program Passed through New York State Home & Community Renewal Office of Community Renewal				
Community Development Block Grant Program	14.228	1523ME108-16	-	97,057
Total U.S. Department of Housing and Urban Development			-	8,529,291
<u>U.S. Department of Labor</u>				
Indirect Program - Passed through Westchester-Putnam Workforce Development Board				
YouthBuild	17.274	n/a	-	126,288
<i>WIOA Cluster</i>				
WIOA Youth Activities	17.259	n/a	-	80,915
Total U.S. Department of Labor			-	207,203
U.S. Department of Transportation Indirect Program Passed through New York State Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)				
	20.205	PIN 8761.51	-	1,092,865
U.S. Department of Health and Human Services				
Direct Programs				
Drug-Free Communities Support Program	93.276	n/a	-	63,429
Indirect Program - Passed through County of Westchester				
<i>Aging Cluster</i>				
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	n/a	-	138,714
Title V Sexual Risk Avoidance - Education Program	93.787	n/a	-	20,282
Total U.S. Department of Health and Human Services			-	222,425
Total			\$ -	\$ 10,051,784

See independent auditors' report and notes to schedule of expenditures of federal awards.

City of Peekskill, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the City of Peekskill ("City") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Peekskill, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal Control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
 X Yes ____ None reported

Type of auditor's report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

 X Yes ____ No

Identification of major federal programs:

Assistance

Listing Number

Name of Federal Program or Cluster

14.871	Housing Voucher Cluster
14.HCC	Section 8 Housing Choice Voucher Program
20.205	COVID 19 – Section 8 Housing Choice Voucher Program
	Highway Planning and Construction (Federal-Aid Highway Program)

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes ____ No

City of Peekskill, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended December 31, 2022

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Housing and Urban Development
Housing Choice Voucher Program Assistance Listing Number 14.871

Finding: 2022-001 Housing Quality Standards (“HQS”) Inspections and HQS Enforcement (Significant Deficiency)

Criteria: The PHA must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

For units under HAP contract that fail to meet HQS, the PHA must require the owner to correct HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

Condition: The PHAs failed inspection log noted seventeen units failed HQS inspection. It appears only four units were reinspected. The PHA’s tenant files did not have evidence or other verification documenting that any PHA-required repairs were completed.

Cause: For the calendar year under audit, January 1, 2022, through December 31, 2022, the PHA did not have a housing inspector from September 2022 until the year end. At the time of the auditors’ field work the PHA had not hired an inspector and the responsibility has fallen to the Section 8 Director.

Effect or Potential Effect: The PHA is out compliance with Housing Quality Standards (“HQS”) Inspections and HQS Enforcement and may not meet its 5 Year Plan goals to provide improved living environment to:

- Ensure that all units meet the Housing Quality Standards
- Provide decent, safe, and sanitary housing for very low-income families
- Conduct more supervisory housing standards inspections to ensure safety of the participants

Recommendation: The PHA must hire an inspector who is qualified and certified to perform HUD’s job requirements. The inspector is required to take and pass the Inspector (Housing) Civil Service Exam when posted.

Management’s Response: See corrective action plan.

City of Peekskill, New York

Schedule of Findings and Questioned Costs (Concluded) Year Ended December 31, 2022

Federal Agency: U.S. Department of Transportation
Highway Planning and Construction (Federal Aid Highway Program) Assistance Listing
Number 20.205

Finding: 2022-002 Federal awards not identified on the Schedule of Expenditures of Federal Awards, ("SEFA"). (Significant Deficiency)

Criteria: The Uniform Guidance requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statement. The schedule of expenditures of federal awards is the basis of the auditor's identification of major programs. Therefore, appropriate major program determination by the auditor is dependent on the accuracy and completeness of the auditee's information in the schedule of expenditures of federal awards. The auditee's responsibility for preparing an accurate and complete SEFA is critical.

Condition: The following federal program was not originally included in the City's Schedule of Expenditures of Federal Awards, Assistance Listing Number 20.205 Highway Planning and Construction program. Auditors identified the federal awards in the course of field work.

Cause: The award was passed through from the New York State Department of Transportation to the City's Planning Department. Relevant grant information was not accessible to the preparers of the SEFA from those who administered the grant.

Effect or Potential Effect: A Uniform Guidance compliance audit is based on the premise that management must comply with federal statutes, regulations and the terms and conditions of the federal awards it receives. Without identifying the funds as federal the City may not have complied with those requirements.

Recommendation: The City should accumulate and document key information relating to each federal program to assist in preparing the SEFA, as well as to provide to auditors.

Management's Response: See corrective action plan.

City of Peekskill, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

None