

2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the year ended December 31, 2023



CITY OF PEEKSKILL, NEW YORK

Mayor Vivian C. McKenzie
City Manager, Matthew C. Alexander

CITY OF PEEKSKILL, NEW YORK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2023

Prepared by the Office of the City Comptroller
Toni Tracy, Comptroller

City of Peekskill, New York

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**INTRODUCTORY
SECTION**



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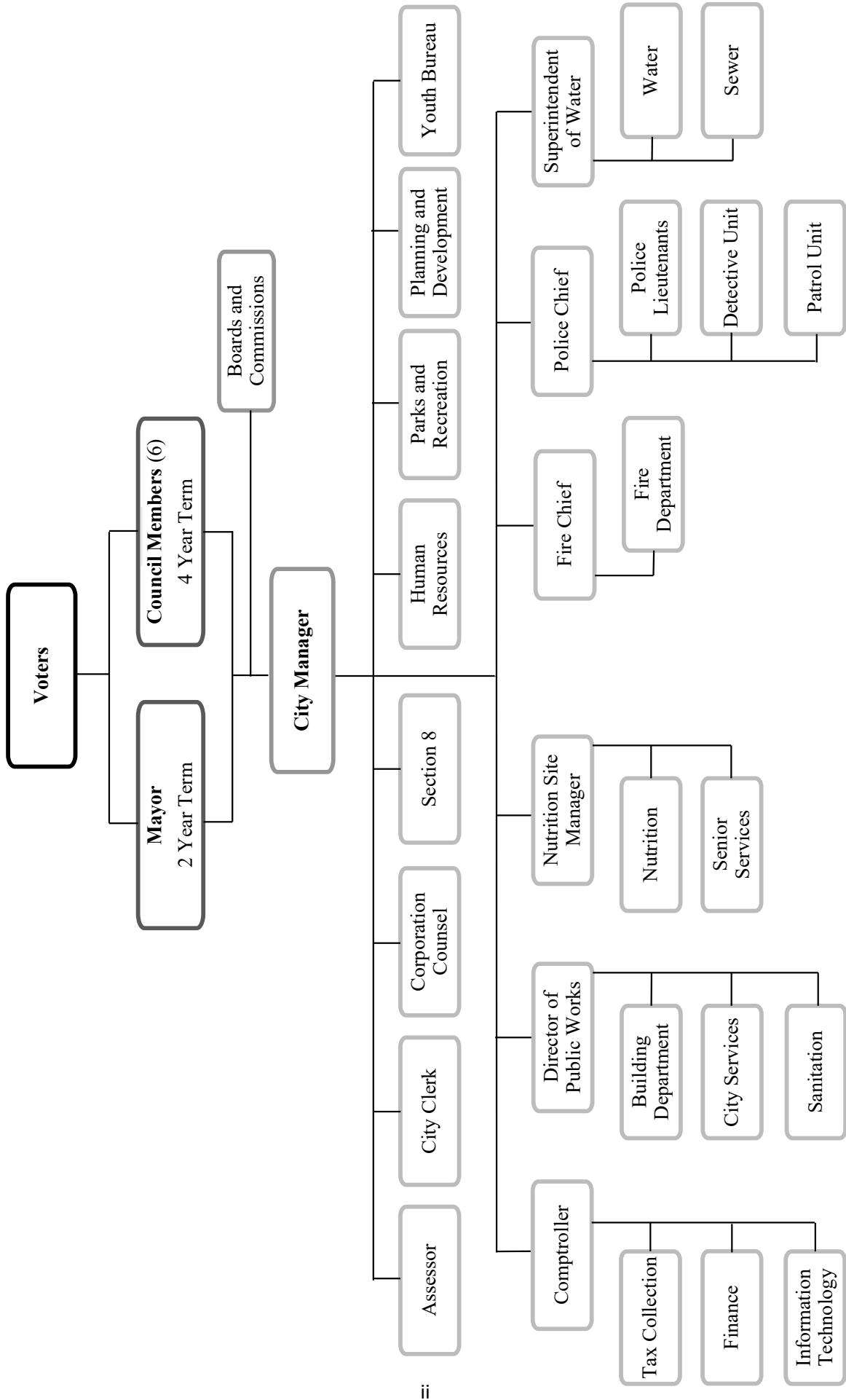
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City of Peekskill Organization Chart





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

Toni J. Tracy
Comptroller

Jessie Boyd
Deputy Comptroller

August 27, 2024

To the Honorable Mayor and Members of the
City Council and residents 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, 2023, 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 dependable 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, 2023, 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, 2023, 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 beautiful 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 Manager established a Quality of Life Committee that includes key department heads, such as the Police Chief and Fire Chief, among others. This committee meets frequently to address issues, including those brought up by a newly established Citizen Complaint Review Board. This all moves toward the goal of keeping Peekskill as an optimal place to live and spend time.

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 Economic Development Director of the City of Peekskill acts as the IDA's Executive Director, and the agency hires outside staff services on a contractual basis for the IDA financial reporting needs.

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

As we all move further ahead following the pandemic and its financial effects, the movement in the real estate market has slowed considerably. Along with that, there is the expected decrease in some of the major revenues. The City's share of the sales tax collected by Westchester County has slowed in its large percentage increases, the mortgage tax has significantly decreased, and transfer taxes have decreased (which may cause the General Fund to pay a portion of the Central Firehouse bond if the transfer tax is too low, as the transfer tax is restricted solely for the purpose of paying these debt payments). These lower revenues are fortunately offset by higher collection of building permit fees, showing growth and improvements in the community, with new housing and commercial projects taking place. Moving into 2024, the City is anticipating that private improvement projects will continue, sales tax is expected to increase, and the City has increased fines and fees in order to offset the significant increases in expenditures.

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 2023 projects represent significant public and private investment:

Completed projects:

- 1 Park Place, a \$55,000,000 building with 181 residential units and 12 retail units.
- Fort Hill new construction and historic rehabilitation totaling \$50,000,000. This property offers 178 residential units, a 42-room inn, spa, and restaurant.
- The Lofts on Main, a \$20,000,000 project including 75 residential units and 4 retail units.
- Crompond Senior Housing, a low/moderate income property, completed a \$12,500,000 project with 52 residential units.
- A \$7,000,000 expansion of HRH Care, an affordable healthcare facility.
- Gateway Townhomes. \$5,000,000, market rate/affordable housing offering 16 residential units.
- Blue Mountain Plaza Shopping Center, a \$4,000,000 renovation of retail space.

- Main Street Commons, a \$3,000,000 retail space of 25,000 square feet.
- Peekskill Central Market Historic Rehabilitation, a 100-seat theater with 12 retail kiosk spaces, \$3,000,000 total.
- Evening Star Rehabilitation
- Spins Hudson/Factoryia Restaurant

Projects in progress:

Renovations of retail space:

- 1060 Lower South Street.
- 135 N. Water Street.
- 190 N. Water Street.

Other projects:

- 104 South Division Street, renovation of 9 apartments.
- 645 Main Street, construction of 82 affordable housing units.
- White Plains Linen, carports.
- 64 South Water Street, renovation for a new restaurant and apartments.
- 400 South Division Street, obtain authorization for the Peekskill City School District to occupy the building for educational purposes.
- 126 North James Street, renovation for the Peekskill Art and Media Center
- 216 South Division Street, new construction of 22 apartments and 2,300 sq ft of mixed-use retail
- Lower South Street, construction of 225 residential units and commercial space

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 2022 Annual Comprehensive Financial Report. The City prepares an ACFR each year, 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 thank our independent auditor, PKF O'Connor Davies, LLP, for their suggestions and input in preparing this report.

Respectfully submitted,



Toni J. Tracy
Comptroller

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Peekskill
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Monell

Executive Director/CEO

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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, 2023, 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, 2023, and the respective changes in financial position and the respective budgetary comparison for the General and Water 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, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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, 2023 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, 2023 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, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the City as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated September 21, 2023, 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, 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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, 2022.

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 August 27, 2024 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

August 27, 2024

City of Peekskill, New York

Management's Discussion and Analysis

December 31, 2023

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, 2023. 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 2023 are as follows:

- In response to the continuing uncertain fiscal climate, the Common Council adopted a conservative approach to budgeting, taking into account the ongoing impact of higher interest rates, real estate costs, and supply chain issues.
- The City of Peekskill has a negative net position of \$76.3 million, an improvement of approximately \$1 million since the end of 2022. 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 the 2023 OPEB (other postemployment benefit) obligations of \$137.78 million (an increase of approximately \$8.6 million due to a decrease of .3% in the discount rate used), net pension liabilities of \$20.3 million, future liability claims and workers compensation claims of \$2.2 million and landfill closure costs of \$1 million related to the former City dump. These amounts are reflected in the government-wide statement of net position, they are not treated as liabilities in the City's governmental fund financial statements. The unrestricted deficit as of December 31, 2023, of \$157.9 million is primarily due to the OPEB liability,
- The governmental funds have a fund balance of \$32.6 million on December 31, 2023; as compared to \$36.8 million on December 31, 2022, with decreases noted in the General Fund, Water Fund and Non-Major Governmental Funds. The General Fund Balance is the most significant, at \$3.3 million, the Water Fund Balance decreased slightly by \$400,000, and Non-Major Governmental Fund Balance by \$885,000. The Capital Fund did end the year with an increase of about \$300,000 in Fund Balance.
- The City's long-term debt, consisting of bonds and notes payable, for all government activities totaled \$41.5 million on December 31, 2023, and \$46.1 million on December 31, 2022. The decrease is due to the principal payments of \$5 million, offset by a new capital lease agreement for Police Department vehicles in the amount of \$250,000.
- Included in the governmental fund balances as of December 31, 2023, is an assigned portion of the Water Fund of \$7.7 million and the Sewer Fund of \$3.2 million. These funds are relied on for capital projects and for unexpected emergencies.

- On December 31, 2023, 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 \$523,975, 1.07% 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 2023 at \$10.3 million.
- The City's General Fund operating expenses are \$48.9 million for 2023 and \$45.2 million for 2022, exclusive of other financing sources. Expenses for 2023 are slightly less than the final budgeted amount, reflecting the department heads' diligent management of their budgets.
- The City's General Fund operating revenues are \$45.3 million for 2023 and \$44.3 million for 2022 exclusive of other financing sources. Revenue for 2023 slightly exceeded the 2023 final budget, due to conservative budgeting by the Mayor and City Council.
- Sales Tax revenue realized was \$6.6 million, resulting in a \$1 million favorable revenue variance in 2023, again due to budgeting conservatively.
- Real property taxes, payments in lieu of taxes and penalties and interest on taxes totaled \$25.7 million and \$25.2 million for 2023 and 2022, 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 position 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

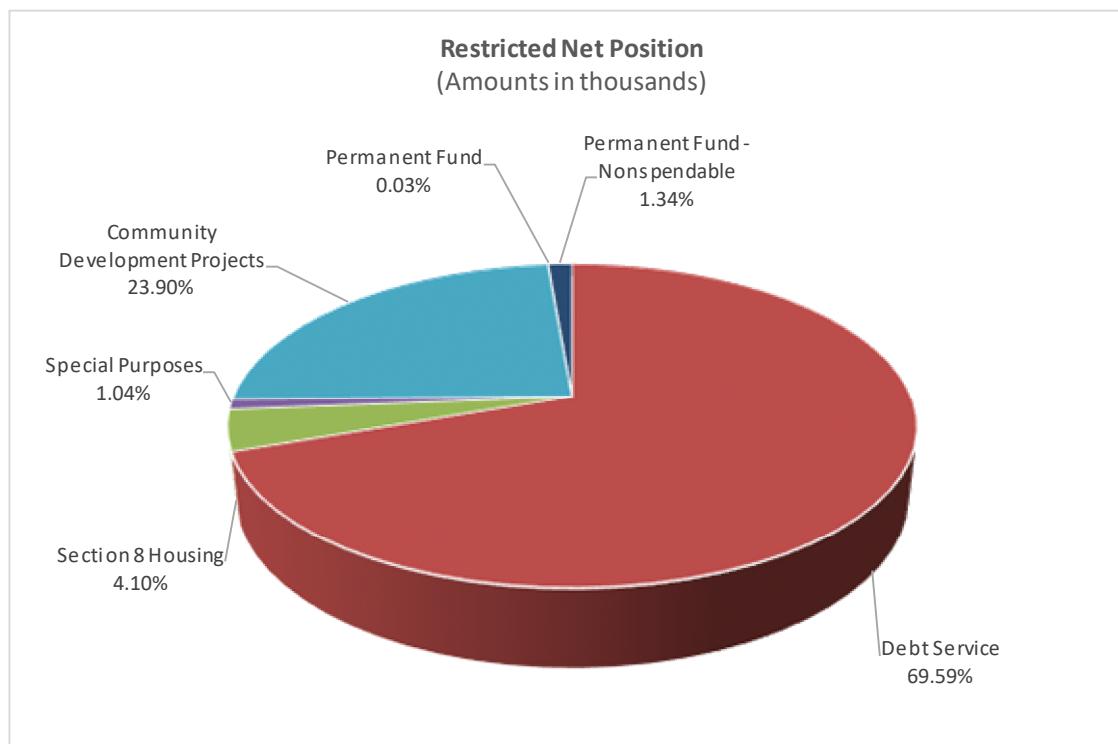
As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities exceeded assets by \$76.35 million at the close of the current fiscal year, an improvement of \$1 million in net position for 2023.

	Net Position (in thousands)	December 31, 2023	December 31, 2022
Current Assets	\$ 45,583	\$ 51,641	
Capital Assets, net	<u>114,082</u>	<u>113,640</u>	
 Total Assets	 159,665	 165,281	
 Deferred Outflows of Resources	 38,416	 37,608	
 Current Liabilities	 9,366	 8,755	
Long-term Liabilities	<u>211,054</u>	<u>190,463</u>	
 Total Liabilities	 220,420	 199,218	
 Deferred Inflows of Resources	 54,008	 81,010	
 NET POSITION			
Net Investment in Capital Assets	73,927	70,265	
Restricted	7,611	12,806	
Unrestricted	<u>(157,884)</u>	<u>(160,410)</u>	
 Total Net Position	 \$ <u>(76,346)</u>	 \$ <u>(77,339)</u>	

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 \$73,927 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 position of \$7.61 million represent resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (in thousands):

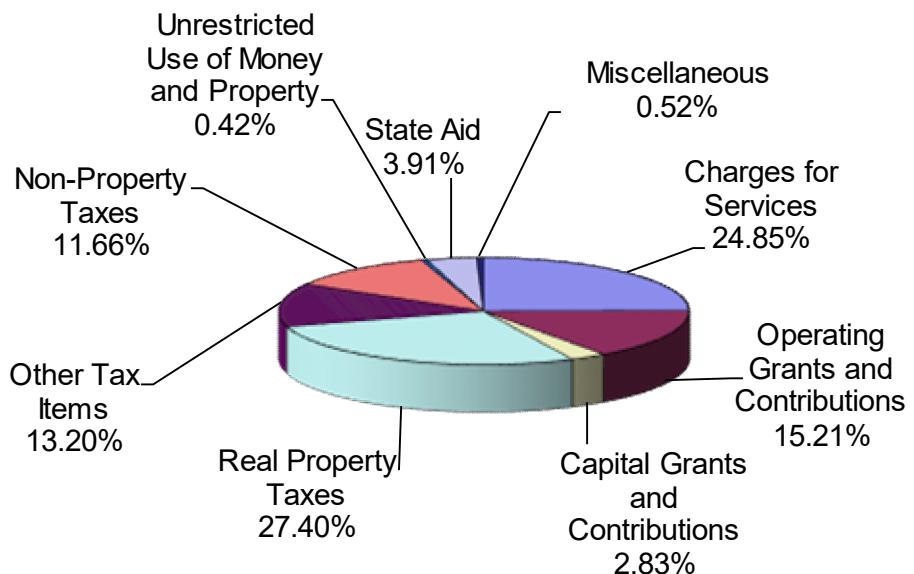
	2023	2022
Capital Projects	\$ -	\$ 5,691
Debt Service	5,333	5,085
Section 8 Housing	307	
Special Revenue Fund:		
Special purposes	79	80
Community development	1,790	1,848
Permanent Fund	2	2
Permanent Fund - Nonexpendable	<u>100</u>	<u>100</u>
	 <u>\$ 7,611</u>	 <u>\$ 12,806</u>



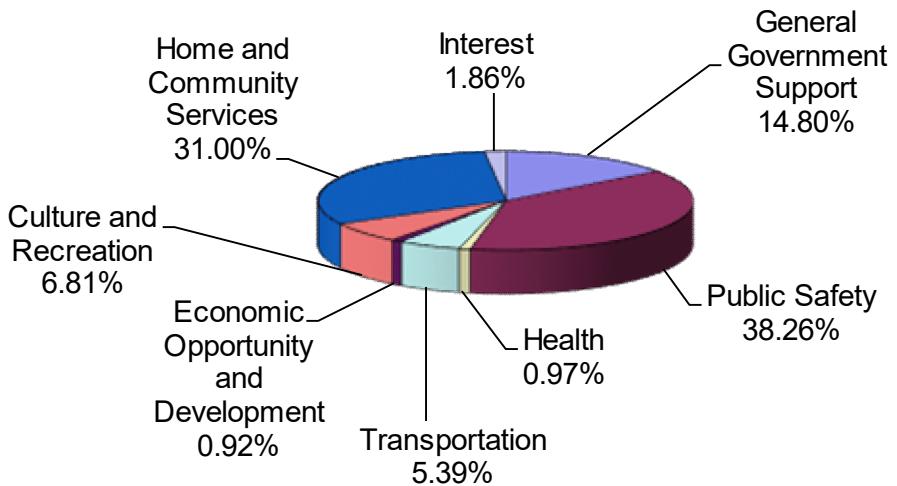
Changes in Net Position
(in thousands)

	2023	2022
Program Revenues:		
Charges for Services	\$ 16,564	\$ 16,982
Operating Grants and Contributions	10,138	9,317
Capital Grants and Contributions	1,883	4,153
General Revenues:		
Real Property Taxes	18,262	18,018
Other Tax items	8,797	8,855
Non-Property Taxes	7,774	7,508
Unrestricted Use of Money and Property	281	123
Sale of Property and Conversation of Loss	11	
Unrestricted State Aid	2,604	3,187
Miscellaneous	346	401
 Total Revenues	 66,660	 68,544
Program Expenses:		
General Government Support	9,716	8,457
Public Safety	25,127	22,911
Health	634	764
Transportation	3,538	4,040
Economic Opportunity and Development	603	640
Culture and Recreation	4,473	4,660
Home and Community Services	20,357	18,489
Interest	1,219	1,228
 Total Expenses	 65,667	 61,189
Change in Net Position	993	7,355
Net Position - Beginning	(77,339)	(84,694)
Net Position - Ending	\$ (76,346)	\$ (77,339)

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 \$1 million in 2023. The total City governmental activities revenues in 2023 and 2022 were \$66.66 million and \$68.55 million, respectively. Real property taxes provided 27.40% of total revenues in 2023. Charges for services, operating grants and contributions, and capital grants and contributions provided 42.88% in 2023 and 44.33% in 2022. State aid provided 3.91% and 4.65% of total revenues for the fiscal years ended December 31, 2023, and 2021, respectively.

Governmental activities expenses of the city for the year totaled \$65.67 million in 2023 and \$61.89 million in 2022. The primary reason for the increase in expenses in 2023 in the amount of \$4.48 million was the changes in net pension liabilities and related deferred outflows and inflows of resources. This was caused by a decrease in plan fiduciary net position due to investment losses within the plan.

Public Safety expenses accounted for the largest portion (\$25.13 million or 38.27% in 2023 and \$22.91 million or 38.07% in 2022), followed by Home and Community Services (\$20.36 million or 31.00% in 2023 and \$18.49 million or 30.72% 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 \$32.60 million. This is a decrease of \$4.15 million from the 2022 combined balance, primarily due to the final results shown in the General Fund and the Water Fund. This is offset by slight increases in the fund balance of the Capital and Section 8 funds.

The General Fund decrease in fund balance of \$3.25 million was a result of operating expenses that were higher than originally anticipated, mostly in the General Government Support and Employee Benefits. The General Government Support line includes expenses for settlement of a lawsuit for just over \$1 million.

There were some categories that show larger variances with the General Fund final budget, starting with "Non-property taxes". This represents sales tax distributions from Westchester County, and the City received \$1 million more than budgeted. Licenses and permits also came in at approximately \$358,000 more than budgeted. These increases were offset by the City receiving less in real property and other tax items, to a total of about \$988,000.

Expense variance with the General Fund final budget include spending \$660,000 more than budgeted in Public Safety, due to hiring additional officers, offset by Home and Community Services coming in at \$556,000 less than budgeted, due to conservative spending.

Capital Projects Fund

Expenditures in the Capital Projects fund were \$4.6 million in 2023. These expenditures were partially funded through various grants from New York State as well as transfers from other funds. The net change in fund balance of the Capital Projects fund was \$298,330 for the year ended December 31, 2023.

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 2023 and 2022 were \$7.91 million and \$8.56 million, respectively. Water rates are reviewed on an annual basis and compared to area averages.

Fund operating expenses from 2023 were \$7.40 million, increased \$440,000 from 2022 expense of \$6.96 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, 2023, the Assigned Fund Balance of the Water Fund was \$8.01 million, a decrease from the 2022 balance of \$400,000. The \$400,000 decrease in the overall fund balance was due to decreased revenues in metered usage. In 2022, a large commercial user, BASF, used a significantly large amount of water for a special purpose, going back to their regular usage the following year, thereby reducing 2023 revenue.

Section 8 Housing Fund

Assigned Fund Balance

Section 8 actual units in which administrative fees were earned amounted to 574 units (495 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 2023 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.

Section 8 revenues increased by \$912,000 and expenses increased, but at a slower pace in the amount of \$763,000, resulting in the reflected increase of approximately \$144,000 in restricted fund balance; for a December 31, 2023 total of \$307,213.

Capital Assets and Debt Administration

Capital Assets

The City's Net Capital Assets as of December 31, 2023, and 2022 amounted to \$114.08 million and \$113.64 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 \$443,364. This is due to large increases in construction-in-progress and purchase of machinery and equipment, offset by additions to accumulated depreciation.

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

	<u>2023</u>	<u>2022</u>
Capital Assets not being depreciated:		
Land	\$ 11,202	\$ 11,202
Construction-in-Progress	19,778	15,896
Capital Assets being depreciated:		
Land Improvements, Net	17,335	18,670
Buildings and Improvements, Net	59,715	61,567
Machinery and Equipment, Net	4,546	4,320
Infrastructure, Net	<u>1,506</u>	<u>1,985</u>
 Total	 <u>\$ 114,082</u>	 <u>\$ 113,640</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)

<u>Fund</u>	<u>2023</u>	<u>2022</u>
General	\$ 27,604	\$ 29,718
Water	13,740	15,970
Sewer	<u>-</u>	<u>395</u>
 Total	 <u>\$ 41,344</u>	 <u>\$ 46,083</u>

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

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, 2023, the City of Peekskill had used \$38.86 million or 31.4% of the constitutional debt limit leaving 68.6% remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3.H 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, 2023

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>City of Peekskill Industrial Development Agency</u>
ASSETS		
Cash and equivalents	\$ 29,081,359	\$ 1,311,845
Investments	3,207,481	-
Receivables		
Taxes, net	2,798,618	-
Accounts	1,711,838	502,416
Water rents	2,335,498	-
Sewer rents	541,760	-
State and Federal aid	1,836,363	-
Due from other governments	1,576,378	-
Loans	754,235	-
Prepaid expenses	1,518,868	-
Inventories	220,146	-
Capital assets		
Not being depreciated	30,979,754	308,750
Being depreciated, net	83,103,137	-
Total Assets	159,665,435	2,123,011
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	15,717,510	-
OPEB related	21,204,933	-
Length of service award programs	761,300	-
Deferred charge on refunding bonds	731,901	-
Total Deferred Outflows of Resources	38,415,644	-
LIABILITIES		
Accounts payable	1,741,400	7,655
Accrued liabilities	1,896,838	702,433
Bond anticipation notes payable	1,650,000	-
Deposits payable	1,259,941	-
Employee payroll tax deductions	144,886	-
Unearned revenues	2,491,787	-
Accrued interest payable	181,392	-
Non-current liabilities		
Due within one year	10,976,728	-
Due in more than one year	200,076,905	-
Total Liabilities	220,419,877	710,088
DEFERRED INFLOWS OF RESOURCES		
Pension related	708,246	-
OPEB related	51,751,410	-
Length of service award programs	1,547,942	-
Total Deferred Inflows of Resources	54,007,598	-
NET POSITION		
Net investment in capital assets	73,926,830	308,750
Restricted for		
Community development	1,790,028	-
Section 8 housing	307,123	-
Debt service	5,332,983	-
Special Purpose	78,759	-
Permanent Fund	2,765	-
Permanent Fund - Nonexpendable	100,000	-
Unrestricted	(157,884,884)	1,104,173
Total Net Position	\$ (76,346,396)	\$ 1,412,923

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, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 9,716,087	\$ 2,507,978	\$ 57,840	\$ -
Public safety	25,126,936	1,512,854	268,675	-
Health	633,896	82,194	121,219	-
Transportation	3,537,589	939,571	-	219,830
Economic opportunity and development	602,853	37,414	99,435	-
Culture and recreation	4,472,560	460,793	182,088	-
Home and community services	20,357,520	11,022,767	9,409,055	1,610,890
Interest	1,219,446	-	-	52,511
Total Governmental Activities - Primary Government	\$ 65,666,887	\$ 16,563,571	\$ 10,138,312	\$ 1,883,231
Component Unit -				
City of Peekskill				
Industrial Development Agency	\$ 157,248	\$ 34,000	\$ -	\$ -
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
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	
\$ (7,150,269)	\$ -	
(23,345,407)	-	
(430,483)	-	
(2,378,188)	-	
(466,004)	-	
(3,829,679)	-	
1,685,192	-	
(1,166,935)	-	
<u>(37,081,773)</u>	<u>-</u>	
		(123,248)
18,262,435	-	
319,314	-	
7,403,487	-	
1,074,327	-	
6,609,490	-	
360,441	-	
258,142	-	
545,218	-	
281,341	16,079	
10,634	-	
2,604,062	-	
144,198	-	
201,378	-	
<u>38,074,467</u>	<u>16,079</u>	
992,694	(107,169)	
<u>(77,339,090)</u>	<u>1,520,092</u>	
<u>\$ (76,346,396)</u>	<u>\$ 1,412,923</u>	

City of Peekskill, New York

Balance Sheet
Governmental Funds
December 31, 2023

	General	Capital Projects	Water
ASSETS			
Cash and equivalents	\$ 13,341,123	\$ 4,525,885	\$ 6,103,483
Investments	3,207,481	-	-
Taxes receivable, net of allowance for uncollectible amounts	2,798,618	-	-
Other receivables			
Accounts	711,838	-	-
Water rents	-	-	2,335,498
Sewer rents	-	-	-
State and Federal aid	1,836,363	-	-
Due from other governments	1,576,378	-	-
Loans	-	-	-
Due from other funds	2,474,884	635,086	26,610
	6,599,463	635,086	2,362,108
Prepaid expenditures	1,402,023	-	86,146
Inventories	-	-	220,146
Total Assets	\$ 27,348,708	\$ 5,160,971	\$ 8,771,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,312,056	\$ 246,789	\$ 61,723
Accrued liabilities	1,814,513	-	56,342
Bond anticipation notes payable	-	1,650,000	-
Due to other funds	511,079	2,128,040	637,897
Deposits payable	1,259,941	-	-
Employee payroll deductions	144,886	-	-
Unearned revenues	2,491,787	-	-
Total Liabilities	7,534,262	4,024,829	755,962
Deferred inflows of resources			
Deferred tax revenues	2,044,273	-	-
Total Liabilities and Deferred Inflows of Resources	9,578,535	4,024,829	755,962
Fund balances			
Nonspendable	1,402,023	-	306,292
Restricted	9,248,190	1,136,142	-
Committed	523,975	-	-
Assigned	2,528,979	-	7,709,629
Unassigned	4,067,006	-	-
Total Fund Balances	17,770,173	1,136,142	8,015,921
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,348,708	\$ 5,160,971	\$ 8,771,883

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
\$ 359,532	\$ 1,790,028	\$ 2,961,308	\$ 29,081,359
-	-	-	3,207,481
-	-	-	2,798,618
-	-	-	711,838
-	-	-	2,335,498
-	-	541,760	541,760
-	-	-	1,836,363
-	-	-	1,576,378
-	754,235	-	754,235
47,937	-	93,138	3,277,655
47,937	754,235	634,898	11,033,727
-	-	30,699	1,518,868
-	-	-	220,146
\$ 407,469	\$ 2,544,263	\$ 3,626,905	\$ 47,860,199
\$ 80,691	\$ -	\$ 40,141	\$ 1,741,400
19,392	-	6,591	1,896,838
-	-	-	1,650,000
173	-	466	3,277,655
-	-	-	1,259,941
-	-	-	144,886
-	754,235	-	3,246,022
100,256	754,235	47,198	13,216,742
-	-	-	2,044,273
100,256	754,235	47,198	15,261,015
-	-	130,699	1,839,014
307,213	1,790,028	81,524	12,563,097
-	-	88,133	612,108
-	-	3,279,351	13,517,959
-	-	-	4,067,006
307,213	1,790,028	3,579,707	32,599,184
\$ 407,469	\$ 2,544,263	\$ 3,626,905	\$ 47,860,199

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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, 2023

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

Total Fund Balances - Governmental Funds	\$ 32,599,184
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	30,979,754
Capital assets - depreciable	137,916,121
Accumulated depreciation	(54,812,984)
	<u>114,082,891</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	15,717,510
Deferred outflows - OPEB related	21,204,933
Deferred outflows - length of service awards programs	761,300
Deferred inflows - pension related	(708,246)
Deferred inflows - OPEB related	(51,751,410)
Deferred inflows - length of service awards programs	(1,547,942)
	<u>(16,323,855)</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
Real property taxes	2,044,273
Loans	754,235
	<u>3,798,508</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	(181,392)
General obligation bonds payable	(35,160,000)
Notes payable	(6,184,034)
Retirement incentives and other pension obligations	(472,310)
Compensated absences	(3,611,557)
Total pension liability - Fire length of service awards program	(3,295,399)
Total pension liability - Ambulance length of service awards program	(879,267)
Net pension liability - ERS	(7,283,115)
Net pension liability - PFRS	(13,005,347)
Landfill closure costs	(1,000,000)
Claims payable	(2,205,175)
Total OPEB liability	(137,781,226)
	<u>(211,058,822)</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	(176,203)
Deferred amounts on refunding	731,901
	<u>555,698</u>
Net Position of Governmental Activities	\$ (76,346,396)

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, 2023**

	General	Capital Projects	Water	Section 8 Housing
REVENUES				
Real property taxes	\$ 17,964,555	\$ -	\$ -	\$ -
Other tax items	8,797,128	-	-	-
Non-property taxes	7,773,291	-	-	-
Departmental income	4,049,969	-	7,911,311	-
Charges for services	175,509	-	-	-
Use of money and property	950,469	-	-	-
Licenses and permits	1,125,610	-	-	-
Fines and forfeitures	1,158,762	-	-	-
Sale of property and compensation for loss	10,634	-	-	-
State aid	2,720,251	1,830,720	-	-
Federal aid	252,476	-	-	9,328,195
Miscellaneous	309,710	-	56,760	11,083
Total Revenues	<u>45,288,364</u>	<u>1,830,720</u>	<u>7,968,071</u>	<u>9,339,278</u>
EXPENDITURES				
Current				
General government support	6,311,958	-	-	-
Public safety	16,501,318	-	-	-
Health	559,999	-	-	-
Transportation	2,343,739	-	-	-
Economic opportunity and development	639,933	-	-	-
Culture and recreation	2,943,112	-	-	-
Home and community services	3,104,159	-	4,876,968	9,195,599
Employee benefits	12,995,229	-	-	-
Debt service				
Principal	2,624,673	-	2,230,000	-
Interest	827,650	-	292,757	-
Capital outlay	-	<u>4,579,599</u>	-	-
Total Expenditures	<u>48,851,770</u>	<u>4,579,599</u>	<u>7,399,725</u>	<u>9,195,599</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,563,406)</u>	<u>(2,748,879)</u>	<u>568,346</u>	<u>143,679</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	201,378	-	-	-
Notes issued	-	250,000	-	-
Transfers in	749,587	2,888,796	-	-
Transfers out	(638,917)	(91,587)	(968,086)	-
Total Other Financing Sources (Uses)	<u>312,048</u>	<u>3,047,209</u>	<u>(968,086)</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,251,358)</u>	<u>298,330</u>	<u>(399,740)</u>	<u>143,679</u>
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>21,021,531</u>	<u>837,812</u>	<u>8,415,661</u>	<u>163,534</u>
End of Year	<u>\$ 17,770,173</u>	<u>\$ 1,136,142</u>	<u>\$ 8,015,921</u>	<u>\$ 307,213</u>

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

Community Development	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 17,964,555
-	-	8,797,128
-	-	7,773,291
-	1,691,826	13,653,106
-	-	175,509
13,017	335	963,821
-	-	1,125,610
-	-	1,158,762
-	-	10,634
-	-	4,550,971
-	-	9,580,671
26,975	28,712	433,240
<u>39,992</u>	<u>1,720,873</u>	<u>66,187,298</u>
-	-	6,311,958
-	-	16,501,318
-	-	559,999
-	-	2,343,739
-	-	639,933
-	30,682	2,973,794
-	597,692	17,774,418
-	-	12,995,229
-	134,300	4,988,973
-	1,847	1,122,254
-	-	4,579,599
<u>-</u>	<u>764,521</u>	<u>70,791,214</u>
<u>39,992</u>	<u>956,352</u>	<u>(4,603,916)</u>
-	-	201,378
-	-	250,000
-	-	3,638,383
(98,000)	(1,841,793)	(3,638,383)
<u>(98,000)</u>	<u>(1,841,793)</u>	<u>451,378</u>
(58,008)	(885,441)	(4,152,538)
<u>1,848,036</u>	<u>4,465,148</u>	<u>36,751,722</u>
<u>\$ 1,790,028</u>	<u>\$ 3,579,707</u>	<u>\$ 32,599,184</u>

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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, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$ (4,152,538)
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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	4,827,815
Depreciation expense	<u>(4,384,451)</u>
	<u>443,364</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	297,880
Departmental income	<u>(26,975)</u>
	<u>270,905</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	(250,000)
Principal paid on general obligation bonds	4,415,000
Principal paid on notes	<u>573,973</u>
	<u>4,738,973</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	11,228
Retirement incentives and other pension liabilities	352,588
Compensated absences	<u>(522,592)</u>
Changes in pension liabilities and related deferred outflows and inflows of resources	<u>(2,550,030)</u>
Changes in length of service awards program liabilities and related deferred outflows and inflows of resources	<u>(5,351)</u>
Claims	2,242
Judgements	1,000,000
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>1,512,325</u>
Amortization of premium and loss on refunding	<u>(108,420)</u>
	<u>(308,010)</u>

Change in Net Position of Governmental Activities

	\$ 992,694
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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, 2023**

General Fund					
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Real property taxes	\$ 18,493,000	\$ 18,493,000	\$ 17,964,555	\$ (528,445)	
Other tax items	9,257,734	9,257,734	8,797,128	(460,606)	
Non-property taxes	6,582,592	6,582,592	7,773,291	1,190,699	
Departmental income	4,080,579	4,143,015	4,049,969	(93,046)	
Charges for services	138,000	138,000	175,509	37,509	
Use of money and property	390,250	814,804	950,469	135,665	
Licenses and permits	766,875	766,875	1,125,610	358,735	
Fines and forfeitures	1,126,000	1,126,000	1,158,762	32,762	
Sale of property and compensation for loss	11,000	11,000	10,634	(366)	
State aid	3,104,384	3,104,384	2,720,251	(384,133)	
Federal aid	285,000	531,637	252,476	(279,161)	
Miscellaneous	148,350	153,350	309,710	156,360	
Total Revenues	44,383,764	45,122,391	45,288,364	165,973	
EXPENDITURES					
Current					
General government support	5,339,352	6,323,973	6,311,958	12,015	
Public safety	15,976,794	15,720,261	16,501,318	(781,057)	
Health	772,000	536,905	559,999	(23,094)	
Transportation	2,436,118	2,513,803	2,343,739	170,064	
Economic opportunity and development	562,072	632,686	639,933	(7,247)	
Culture and recreation	3,061,829	3,498,789	2,943,112	555,677	
Home and community services	3,178,026	3,171,188	3,104,159	67,029	
Employee benefits	12,670,000	13,162,671	12,995,229	167,442	
Debt service					
Principal	2,521,833	2,476,916	2,624,673	(147,757)	
Interest	759,133	848,671	827,650	21,021	
Total Expenditures	47,277,157	48,885,863	48,851,770	34,093	
Excess (Deficiency) of Revenues Over Expenditures	(2,893,393)	(3,763,472)	(3,563,406)	200,066	
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	60,000	60,000	201,378	141,378	
Transfers in	698,000	698,000	749,587	51,587	
Transfers out	(500,000)	(711,612)	(638,917)	72,695	
Total Other Financing Sources (Uses)	258,000	46,388	312,048	265,660	
Net Change in Fund Balances	(2,635,393)	(3,717,084)	(3,251,358)	465,726	
FUND BALANCES					
Beginning of Year	2,635,393	3,717,084	21,021,531	17,304,447	
End of Year	\$ -	\$ -	\$ 17,770,173	\$ 17,770,173	

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

Water Fund				
Original Budget	Final Budget	Actual	Variance with Final Budget	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
8,575,699	8,575,699	7,911,311	(664,388)	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,000	45,000	56,760	11,760	
8,620,699	8,620,699	7,968,071	(652,628)	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,946,478	6,019,866	4,876,968	1,142,898	
-	-	-	-	-
2,230,000	2,252,979	2,230,000	22,979	
494,106	497,739	292,757	204,982	
8,670,584	8,770,584	7,399,725	1,370,859	
(49,885)	(149,885)	568,346	718,231	
-	-	-	-	-
(250,000)	(250,000)	(968,086)	(718,086)	
(250,000)	(250,000)	(968,086)	(718,086)	
(299,885)	(399,885)	(399,740)	145	
299,885	399,885	8,415,661	8,015,776	
\$ -	\$ -	\$ 8,015,921	\$ 8,015,921	

City of Peekskill, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023

	Custodial Fund
ASSETS	
Cash and equivalents	\$ 1,015,379
Real property taxes receivable for other governments	<u>20,482,047</u>
Total Assets	<u><u>\$ 21,497,426</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 21,497,426</u></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, 2023

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 54,614,108
DEDUCTIONS	
Payments of real property taxes to other governments	<u>54,614,108</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	-
End of Year	<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, 2023

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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. Issuances of long-term debt 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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, 2023.

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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 - 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, 2023, 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).

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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.

Class	Life in Years
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 \$2,491,787 in American Rescue Plan Act funds received in advance in the General Fund and \$754,235 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 \$731,901 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 \$2,044,273 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund. This

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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, ambulance service award and other postemployment benefit liabilities. These amounts are detailed in the discussion of the City's pension, fire service award, ambulance service award and other postemployment benefit liabilities in Note 31.

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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 and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the 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 community development, section 8 housing, 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.

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 August 27, 2024.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 2023, the maximum amount which could have been raised was \$42,727,589 which exceeded the actual levy, after exclusions, by \$29,259,589.

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. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the City's fiscal year ended December 31, 2023. The City has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

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	
Unallocated insurance	\$ 47,931
Public Safety	
Police Department	571,758
Fire Department	234,191
Economic Opportunity and Development	
Nutrition program for the elderly	7,247
Home and Community Services	
Composting	30,000
Employee Benefits	
State Retirement	62,424
Debt Service - Principal - Notes	147,757
Water Fund	
Transfers out	718,086

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the Length of Service Awards programs are invested in accordance with the statutory prudent person rule. 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	\$ 195,482	\$ -	\$ -	\$ 8,906	\$ 159,501	\$ 27,075
Common stock	375,244	375,244	-	-	-	-
Corporate bonds	122,377	-	24,062	63,668	34,648	-
U.S. and international equities funds	261,716	261,716	-	-	-	-
	\$ 954,819	\$ 636,960	\$ 24,062	\$ 72,574	\$ 194,148	\$ 27,075

Type of investment

Type of investment	Fair Value	N/A	A or Better	BB
Bond funds	\$ 195,482	\$ -	\$ 195,482	\$ -
Common stock	375,244	375,244	-	-
Corporate bonds	122,377	-	63,668	58,710
U.S. and international equities funds	261,716	261,716	-	-
	\$ 954,819	\$ 636,960	\$ 259,150	\$ 58,710

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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	\$ 384,997	\$ -	-	-	384,997	-
Certificates of deposit	588,402	-	114,136	319,303	126,140	28,823
Mortgage backed securities	119,722	-	-	-	-	119,722
Mixed assets	357,687	357,687	-	-	-	-
Cash	73,928	73,928	-	-	-	-
U.S. and international equities funds	<u>727,926</u>	<u>727,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,252,662</u>	<u>\$ 1,159,541</u>	<u>\$ 114,136</u>	<u>\$ 319,303</u>	<u>\$ 511,137</u>	<u>\$ 148,545</u>

Type of investment	Fair Value	N/A	A or Better	BBB
Bond funds	\$ 384,997	\$ -	\$ 253,323	131,674
Certificates of deposit	588,402	588,402	-	-
Mortgage backed securities	119,722	119,722	-	-
Mixed assets	357,687	357,687	-	-
Cash	73,928	73,928	-	-
U.S. and international equities funds	<u>727,926</u>	<u>727,926</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,252,662</u>	<u>\$ 1,867,665</u>	<u>\$ 253,323</u>	<u>\$ 131,674</u>
Total Investments	<u>\$ 3,207,481</u>			

B. Property Taxes Receivable

Taxes receivable at December 31, 2023 consisted of the following:

City Taxes	\$ 1,680,981
County Taxes	309,791
School Districts Taxes	1,310,070
Installment agreements	14,482
Allowance of uncollectible taxes	<u>(516,706)</u>
	<u>\$ 2,798,618</u>

Taxes in the fund financial statements are also partially offset by deferred tax revenues of \$2,044,273, 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 \$754,235 reported in the Community Development Fund as of December 31, 2023 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.

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

D. Due From/To Other Funds

The composition of due from/to other funds and due from/to fiduciary funds at December 31, 2023 were as follows:

Fund	Due From	Due To
General	\$ 2,474,884	\$ 511,079
Capital Projects	635,086	2,128,040
Water	26,610	637,897
Section 8 Housing	47,937	173
Non-Major Governmental	93,138	466
	\$ 3,277,655	\$ 3,277,655

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.

E. Capital Assets

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

Class	Balance, January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital Assets, not being depreciated:				
Land	\$ 11,201,915	\$ -	\$ -	\$ 11,201,915
Construction-in-progress	15,895,980	3,881,859	-	19,777,839
Total Capital Assets, Not Being Depreciated	\$ 27,097,895	\$ 3,881,859	\$ -	\$ 30,979,754
Capital Assets, being depreciated:				
Land improvements	\$ 29,574,655	\$ -	\$ -	\$ 29,574,655
Buildings and improvements	77,346,154	-	-	77,346,154
Machinery and equipment	13,856,555	945,956	185,403	14,617,108
Infrastructure	16,378,204	-	-	16,378,204
Total Capital Assets, Being Depreciated	137,155,568	945,956	185,403	137,916,121
Less Accumulated Depreciation for:				
Land improvements	10,905,469	1,333,620	-	12,239,089
Buildings and improvements	15,538,483	2,093,055	-	17,631,538
Machinery and equipment	9,536,286	719,435	185,403	10,070,318
Infrastructure	14,633,698	238,341	-	14,872,039
Total Accumulated Depreciation	50,613,936	4,384,451	185,403	54,812,984
Total Capital Assets, Being Depreciated, Net	\$ 86,541,632	\$ (3,438,495)	\$ -	\$ 83,103,137
Capital Assets, Net	\$ 113,639,527	\$ 443,364	\$ -	\$ 114,082,891

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 1,882,260
Public Safety	563,846
Transportation	494,160
Culture and Recreation	419,216
Home and Community Services	<u>1,024,969</u>
 Total Depreciation Expense	 <u>\$ 4,384,451</u>

Capital Assets - Component Units

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

Class	Balance at January 1, 2023			Balance December 31, 2023
	Additions	Deletions		
Capital Assets, not being depreciated:				
Property held for investment	\$ 308,750	\$ -	\$ -	\$ 308,750

F. Accrued Liabilities

Accrued liabilities at December 31, 2023 were as follows:

	General Fund	Water	Section 8	Non-Major		Total
		Fund	Housing	Governmental	Funds	
Payroll and Employee Benefits	\$ 795,118	\$ 56,342	\$ 19,392	\$ 6,591	\$ 877,443	
Judgements and Claims	1,015,000	-	-	-	-	1,015,000
Other	<u>4,395</u>	-	-	-	-	<u>4,395</u>
	<u>\$ 1,814,513</u>	<u>\$ 56,342</u>	<u>\$ 19,392</u>	<u>\$ 6,591</u>	<u>\$ 1,896,838</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, 2023	New Issue	Redemptions	Balance December 31, 2023
Capital Projects Fund - Various Capital Projects	2022	08/24/23	3.00 %	\$ 1,750,000	\$ -	\$ 1,750,000	\$ -
Capital Projects Fund - Various Capital Projects	2023	08/23/24	4.25 %	<u>\$ 1,750,000</u>	<u>1,650,000</u>	<u>-</u>	<u>1,650,000</u>

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects 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 \$59,010 was recorded in the government-wide financial statements and interest expenditures of \$52,500 were recorded in the General Fund.

H. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
General Obligation Bonds Payable					
Bonds Payable					
Capital construction	\$ 39,175,000	\$ -	\$ 4,215,000	\$ 34,960,000	\$ 3,890,000
Other - non capital	400,000	-	200,000	200,000	200,000
	39,575,000	-	4,415,000	35,160,000	4,090,000
Plus					
Unamortized premium on bonds	196,736	-	20,533	176,203	-
	39,771,736	-	4,435,533	35,336,203	4,090,000
Notes Payable	6,508,007	250,000	573,973	6,184,034	668,045
Other Non-Current Liabilities					
Retirement Incentives and					
Other Pension Obligations	824,898	-	352,588	472,310	229,976
Compensated Absences	3,088,965	831,592	309,000	3,611,557	361,000
Total Pension Liability - Fire Length of service awards program	4,266,816	(776,957)	194,460	3,295,399	205,030
Total Pension Liability - Ambulance Length of service awards program	1,264,096	112,493	497,322	879,267	19,306
Net Pension Liability - ERS	-	7,283,115	-	7,283,115	-
Net Pension Liability - PFRS	1,345,040	11,660,307	-	13,005,347	-
Landfill Closure Costs	1,000,000	-	-	1,000,000	-
Claims Payable	2,207,417	1,158,183	1,160,425	2,205,175	221,000
Judgements	1,000,000	-	1,000,000	-	-
Other Postemployment Benefit Liability	129,186,488	6,718,229	(1,876,509)	137,781,226	5,182,371
Total Other Non- Current Liabilities	144,183,720	26,986,962	1,637,286	169,533,396	6,218,683
Total Long-Term Liabilities	\$ 190,463,463	\$ 27,236,962	\$ 6,646,792	\$ 211,053,633	\$ 10,976,728

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

Each governmental fund's liability for general obligations 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.

General Obligation Bonds payable at December 31, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2023
Other Purpose	2013	\$ 1,820,700	June, 2024	3.250 %	\$ 200,000
Public Improvements	2013	9,893,000	June, 2033	3.000	4,925,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	16,390,000	October, 2028	4.727-4.805	6,690,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	9,735,000	March, 2028	4.623-4.754	4,150,000
Public Improvements	2017	14,610,000	September, 2037	2.250-3.000	10,295,000
Public Improvements Refunding Bonds	2017	12,810,000	December, 2040	2.250-3.000	8,900,000
					<u>\$ 35,160,000</u>

Interest expenditures of \$604,266, \$292,757 and \$1,847 were recorded in the fund financial statements in the General, Water and Sewer funds, respectively. Interest expense of \$989,552 was recorded in the government-wide financial statements.

Notes Payable

During 2020, the City entered into a note agreement for an energy performance contract. 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. The balance due as of December 31, 2023 is \$3,882,087.

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. The balance due as of December 31, 2023 is \$2,051,947.

During 2023, the City entered into a note agreement to finance vehicles with additional equipment. The terms of the vehicle agreement provided for the repayment of the principal amount of \$250,000, with an average installment of \$85,000, including interest, with maturity in 2026. The balance due as of December 31, 2023 is \$250,000.

Interest expenses/expenditures of \$107,514 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, 2023

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, 2023 including interest payments of \$6,757,761 are as follows:

Year Ending December 31,	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,090,000	\$ 803,622	\$ 668,045	\$ 168,666	\$ 4,758,045	\$ 972,288
2025	3,945,000	692,848	687,208	149,503	4,632,208	842,351
2026	4,105,000	575,937	633,344	129,747	4,738,344	705,684
2027	4,150,000	499,868	538,386	111,209	4,688,386	611,077
2028	4,115,000	454,025	511,785	97,240	4,626,785	551,265
2029-2033	8,485,000	1,593,601	1,488,476	325,924	9,973,476	1,919,525
2034-2038	5,235,000	552,000	1,361,529	145,189	6,596,529	697,189
2039-2040	1,035,000	31,275	295,261	6,084	1,330,261	37,359
	<u>\$ 35,160,000</u>	<u>\$ 5,203,176</u>	<u>\$ 6,184,034</u>	<u>\$ 1,133,562</u>	<u>\$ 41,344,034</u>	<u>\$ 6,336,738</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.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2013 PFRS	\$ 760,826	\$ 71,563	\$ 151,299	\$ 74,254
2014 ERS	533,602	51,548	47,546	47,546
2014 PFRS	424,594	38,290	123,100	39,630
2015 ERS	412,640	35,881	155,799	39,563
2015 PFRS	322,636	28,055	121,817	28,983
Total	2,454,298	225,337	599,561	229,976
ERS Graded Payment	-	127,251	(127,251)	-
	<u>\$ 2,454,298</u>	<u>\$ 352,588</u>	<u>\$ 472,310</u>	<u>\$ 229,976</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

Fund	ERS	PFRS	Total
General	\$ 158,687	\$ 156,897	\$ 315,584
Water	40,805	-	40,805
Sewer	18,136	-	18,136
Section 8 Housing	9,068	-	9,068
	<u>\$ 226,696</u>	<u>\$ 156,897</u>	<u>\$ 383,593</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, 2023. 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, 2022, 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 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. Separate financial statements are not issued for the plan.

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. 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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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, 2022 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	53
Inactive participants entitled to but not yet receiving benefits payment	25
Active participants	<u>56</u>
Total	<u>134</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.

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

31, 2022. 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.

Trust Assets. Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the City. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The trust assets are recorded in the General fund as investments and as a component of restricted fund balance.

Changes in the Total Pension Liability

Balance as of 12/31/21 measurement date	\$ 4,266,816
Service cost	56,894
Interest	94,673
Changes in assumptions or other inputs	(975,304)
Differences between expected and actual experience	46,780
Benefit payments	<u>(194,460)</u>
Balance as of 12/31/22 measurement date	<u>\$ 3,295,399</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, 2022 measurement date, calculated using the discount rate of 4.31%, 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 (3.31%) or 1-percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total Pension Liability	\$ 3,714,491	\$ 3,295,399	\$ 2,950,572

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

For the year ended December 31, 2023, the City recognized pension expense of \$149,980 in the Government-wide financial statements. At December 31, 2023, 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	\$ 79,271	\$ -
Changes of assumptions or other inputs	67,337	771,103
Benefit payments & administrative expenses subsequent to the measurement date	<u>205,030</u>	<u>-</u>
	<u>\$ 351,638</u>	<u>\$ 771,103</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

\$205,030 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 plan 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</u> <u>December 31,</u>	
2024	\$ (219,430)
2025	(272,417)
2026	<u>(132,648)</u>
	<u>\$ (624,495)</u>

Defined Benefit - Ambulance Service Awards Program

The City's financial statements are for the year ended December 31, 2023. 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, 2022, 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. Separate financial statements are not issued for the 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Participants covered by the benefit terms

At the December 31, 2022 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	6
Inactive participants entitled to but not yet receiving benefits payments	10
Active participants	<u>66</u>
 Total	 <u>82</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.

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. 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.

Trust Assets. Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the City. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The trust assets are recorded in the General fund as investments and as a component of restricted fund balance.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total Pension Liability

Balance as of 12/31/21 measurement date	\$ 1,264,096
Service cost	82,452
Interest	30,041
Changes in assumptions or other inputs	(471,484)
Differences between expected and actual experience	(14,978)
Benefit payments	<u>(10,860)</u>
Balance as of 12/31/22 measurement date	<u>\$ 879,267</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, 2022 measurement date, calculated using the discount rate of 4.31%, 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 (3.31%) or 1-percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total Pension Liability	\$ 1,063,142	\$ 879,267	\$ 735,870

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

For the year ended December 31, 2023, the City recognized pension expense of \$81,811 in the government-wide financial statements. At December 31, 2023, 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	\$ 25,722	\$ 150,991
Changes of assumptions or other inputs	364,634	625,848
Benefit payments & administrative expenses subsequent to the measurement date	19,306	-
	<u>\$ 409,662</u>	<u>\$ 776,839</u>

\$19,306 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 plan year ended December 31, 2023.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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</u> <u>December 31,</u>		
2024	\$	(23,272)
2025	\$	(23,272)
2026	\$	(23,272)
2027	\$	(23,272)
2028	\$	(23,272)
Thereafter	<u> </u>	<u>(270,123)</u>
	<u> </u>	<u>\$ (386,483)</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 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 2023 are as follows:

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	<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, 2023, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2023	March 31, 2023
Net pension liability	\$ 7,283,115	\$ 13,005,347
City's proportion of the net pension liability	0.0339634%	0.2360115%
Change in proportion since the prior measurement date	(0.0002914)%	(0.0007728)%

The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2023, the City recognized its proportionate share of pension expense in the government-wide financial statements of \$2,511,243 for ERS and \$4,356,675 for PFRS. Pension expenditures of \$1,405,174 for ERS and \$3,186,808 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 977,449	\$ 3,186,808
Water	257,812	-
Sewer	114,533	-
Section 8 Housing	55,380	-
Total	\$ 1,405,174	\$ 3,186,808

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2023, 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	\$ 775,709	\$ 204,537	\$ 1,271,142	\$ -	\$ 2,046,851	\$ 204,537
Changes of assumptions	3,537,151	39,092	6,337,472	-	9,874,623	39,092
Net difference between projected and actual earnings on pension plan investments	-	42,788	22,992	-	22,992	42,788
Changes in proportion and differences between City contributions and proportionate share of contributions	26,405	158,320	93,457	263,509	119,862	421,829
City contributions subsequent to the measurement date	1,263,076	-	2,390,106	-	3,653,182	-
	<u>\$ 5,602,341</u>	<u>\$ 444,737</u>	<u>\$ 10,115,169</u>	<u>\$ 263,509</u>	<u>\$ 15,717,510</u>	<u>\$ 708,246</u>

\$1,263,076 and \$2,390,106 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 in the plan year ended March 31, 2024. 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
2024	\$ 910,043	\$ 1,402,195	
2025	(444,223)	(345,131)	
2026	1,457,707	3,802,613	
2027	1,971,001	2,367,007	
2028	-	234,870	
	<u>\$ 3,894,528</u>	<u>\$ 7,461,554</u>	

The total pension liability for the March 31, 2023 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, 2023	March 31, 2023
Actuarial valuation date	April 1, 2022	April 1, 2022
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	1	0.00
		<u>100 %</u>

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

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

The following presents the 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:

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	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>\$ 17,600,166</u>	<u>\$ 7,283,115</u>	<u>\$ (1,337,981)</u>
City's proportionate share of the PFRS net pension liability	<u>\$ 27,110,255</u>	<u>\$ 13,005,347</u>	<u>\$ 1,325,637</u>

The components of the collective net pension liability as of the March 31, 2023 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 232,627,259,000	\$ 43,835,333,000	\$ 276,462,592,000
Fiduciary net position	<u>211,183,223,000</u>	<u>38,324,863,000</u>	<u>249,508,086,000</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>	<u>\$ 5,510,470,000</u>	<u>\$ 26,954,506,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>87.43%</u>	<u>90.25%</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, 2023 represent the employer contribution for the period of April 1, 2023 through December 31, 2023 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, 2023 were \$1,263,076 and \$2,390,106, respectively.

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, 2023. 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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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, 2023		Year Ended December 31, 2022	
	General Liability and Casualty	Workers' Compensation	General Liability and Casualty	Workers' Compensation
Balance - Beginning of Year	\$ 1,635,848	\$ 571,569	\$ 1,661,795	\$ 610,830
Provision for Claims and Claims Adjustment Expenses	269,878	919,282	308,954	31,968
Claims and Claims Adjustment Expenses Paid	(164,000)	(1,027,402)	(334,901)	(71,229)
Balance - End of Year	<u>\$ 1,741,726</u>	<u>\$ 463,449</u>	<u>\$ 1,635,848</u>	<u>\$ 571,569</u>
Due Within One Year	<u>\$ 174,000</u>	<u>\$ 47,000</u>	<u>\$ 164,000</u>	<u>\$ 57,000</u>

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, 2023, the following employees were covered by the benefit terms:

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The City's total OPEB liability of \$137,781,226 was measured as of December 31, 2023, 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	3.88%
Healthcare cost trend rates	7.0% for 2024, decreasing by up to .25% per year to an ultimate rate of 4.5% for 2034
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.

The City's change in the total OPEB liability for the year ended December 31, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 129,186,488
Service cost	1,803,092
Interest	4,915,137
Changes in assumptions or other inputs	6,891,892
Benefit payments	<u>(5,015,383)</u>
 Total OPEB Liability - End of Year	 <u>\$ 137,781,226</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 (2.88%) or 1 percentage point higher (4.88%) than the current discount rate:

	1%	Current	1%
	Decrease (2.88%)	Discount Rate (3.88%)	Increase (4.88%)
Total OPEB Liability	\$ 164,450,354	\$ 137,781,226	\$ 117,455,370

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (6.00% 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>\$ 115,218,656</u>	<u>\$ 137,781,226</u>	<u>\$ 167,689,403</u>

For the year ended December 31, 2023, the City recognized OPEB expense of \$3,503,058 in the government-wide financial statements. At December 31, 2023, 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>\$ 21,204,933</u>	<u>\$ 51,751,410</u>

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,

2024	\$ (3,215,171)
2025	(3,215,171)
2026	(3,215,171)
2027	(3,215,171)
2028	(5,705,335)
Thereafter	<u>(11,980,458)</u>
	<u><u>\$ (30,546,477)</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Pension Expense/Expenditures

The schedule below details the total pension expense/expenditures for all defined benefit pension plans.

Pension Plan:	Government-Wide Financial Statements	Fund Financial Statements
Fire Service Award Program	\$ 149,980	\$ 218,526
Ambulance Service Award Program	81,811	23,094
New York State and Local Employees Retirement System	2,511,243	1,405,174
New York State and Local Police and Fire Retirement System	<u>4,356,675</u>	<u>3,186,808</u>
Total Pension Expense/Expenditures	<u>\$ 7,099,709</u>	<u>\$ 4,833,602</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	\$ -	\$ 638,917	\$ 638,917
Water Fund	250,000	718,086	968,086
Capital Projects Fund	91,587	-	91,587
Community Development	98,000	-	98,000
Non-Major Governmental Funds	<u>310,000</u>	<u>1,531,793</u>	<u>1,841,793</u>
	<u>\$ 749,587</u>	<u>\$ 2,888,796</u>	<u>\$ 3,638,383</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for the Capital Projects Fund and 2) move funds from the Section 8, Sewer, Community Development and Water Funds to reimburse the General Fund for administrative costs.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

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, 2023, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 403,979
Water Fund	212,075
Non-Major Governmental Funds	<u>35,928</u>
 Total	 <u>\$ 651,982</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 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 Section 8 Housing - the component of net position that reports the difference between assets and liabilities of the Section 8 Fund which is used to account for resources received and used for homing assistance payment purposes.

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, 2023

Note 3 - Detailed Notes on All Funds (Continued)

M. Fund Balance

	2023						
	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds	Total
Nonspendable							
Prepaid expenditures	\$ 1,402,023	\$ -	\$ 86,146	\$ -	\$ -	\$ 30,699	\$ 1,518,868
Inventories	-	-	220,146	-	-	-	220,146
Permanent fund	-	-	-	-	-	100,000	100,000
Total Nonspendable	1,402,023	-	306,292	-	-	130,699	1,839,014
Restricted							
Liability and casualty claims	358,809	-	-	-	-	-	358,809
Workers compensation	251,360	-	-	-	-	-	251,360
Capital projects	-	1,136,142	-	-	-	-	1,136,142
Debt service	68,698	-	-	-	-	-	68,698
Debt service - Fire House	5,264,285	-	-	-	-	-	5,264,285
Permanent	-	-	-	-	-	2,765	2,765
Special purpose	-	-	-	-	-	78,759	78,759
Fire service award program	2,350,219	-	-	-	-	-	2,350,219
Ambulance service award program	954,819	-	-	-	-	-	954,819
Section 8 Housing	-	-	-	307,213	-	-	307,213
Community Development	-	-	-	-	1,790,028	-	1,790,028
Total Restricted	9,248,190	1,136,142	-	307,213	1,790,028	81,524	12,563,097
Committed							
State retirement systems expenditures	300,000	-	-	-	-	-	300,000
Tax stabilization	223,975	-	-	-	-	-	223,975
Designated for subsequent year's budget	-	-	-	-	-	-	-
Sewer Storm Water	-	-	-	-	-	12,344	12,344
Capital improvements in City parks	-	-	-	-	-	75,789	75,789
Total Committed	523,975	-	-	-	-	88,133	612,108
Assigned							
Purchases on order							
General government support	5,967	-	-	-	-	-	5,967
Public safety	316,912	-	-	-	-	-	316,912
Transportation	13,405	-	-	-	-	-	13,405
Culture and recreation	25,318	-	-	-	-	-	25,318
Home and community services	42,377	-	212,075	-	-	35,928	290,380
	403,979	-	212,075	-	-	35,928	651,982
Subsequent year's expenditures	2,125,000	-	-	-	-	-	2,125,000
Tax certiorari payments	-	-	-	-	-	-	-
Major funds	-	-	7,497,554	-	-	-	7,497,554
Non-major funds							
Sewer	-	-	-	-	-	3,243,423	3,243,423
Total Assigned	2,528,979	-	7,709,629	-	-	3,279,351	13,517,959
Unassigned	4,067,006	-	-	-	-	-	4,067,006
Total Fund Balances	\$ 17,770,173	\$ 1,136,142	\$ 8,015,921	\$ 307,213	\$ 1,790,028	\$ 3,579,707	\$ 32,599,184

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	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	\$ 21,021,531	\$ 837,812	\$ 8,415,661	\$ 163,534	\$ 1,848,036	\$ 4,465,148	\$ 36,751,722

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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, 2023 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.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City is 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 lawsuits and claims in the ordinary conduct of its affairs. 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*" provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 (i.e., the City's financial statements for the year ended December 31, 2025).

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

City of Peekskill, New York

Notes to Financial Statements (Concluded)
December 31, 2023

Note 5 - Recently Issued GASB Pronouncements (Continued)

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the City believes will most impact its financial statements. The City 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, 2023 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	\$ 289.248	\$ 104,129	\$ 51,874	\$ 52,255
2005 33.29-4-16./1	Courtyard Housing LLC	501,750	289.248	145,130	42,435	102,695
2014 32.19.1-2	DP49 LLC	285,000	289.248	82,436	29,783	52,653
1998 33.37-1-36	Drum Hill Senior Living Project	210,900	289.248	61,002	156,569	(95,567)
2012 32.19-1-4.2	Hotel LLC	300,000	289.248	86,774	3,039	83,735
2015 33.29-5-5	Peekskill Artloft Owners	62,000	289.248	17,933	76,158	(58,225)
1981 33.29-3-16	Peekskill Housing	792,000	289.248	229,084	40,280	188,804
1985 32.19-1-3.2	Resco (HHSD)	17,746,000	289.248	5,132,990	2,389,195	2,743,795
1985 32.19-1-3.1	Resco (PCSD)	28,954,000	289.248	8,374,878	4,148,160	4,226,718
2018 32.8-1-3.311	The Abbey At Fort Hill, LLC	219,000	289.248	63,345	14,944	48,401
2017 32.8-1-3	Ft. Hill Peekskill, LLC	843,000	289.248	243,836	22,416	221,420
2021 33.29-2-4-1	The Lofts on Main LP	169,000	289.248	48,883	45,438	3,445
2007 23.15-1-2	Stuhr Gardens Associates LLC	516,022	289.248	149,258	151,721	(2,463)
2008 33.37-2-19	Wesley Hall Apartments	433,600	289.248	125,418	65,685	59,733
Total		<u>\$ 51,392,272</u>		<u>\$ 14,865,097</u>	<u>\$ 7,237,697</u>	<u>\$ 7,627,400</u>

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**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)

	2023	2022
Total OPEB Liability:		
Service cost	\$ 1,803,092	\$ 1,597,284
Interest	4,915,137	7,390,877
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	6,891,892	(54,296,708) (5)
Benefit payments	<u>(5,015,383)</u>	<u>(4,640,401)</u>
 Net Change in Total OPEB Liability	 8,594,738	 (49,948,948)
 Total OPEB Liability – Beginning of Year	 <u>129,186,488</u>	 <u>179,135,436</u>
 Total OPEB Liability – End of Year	 <u>\$ 137,781,226</u>	 <u>\$ 129,186,488</u>
 City's covered-employee payroll	 <u>\$ 18,849,992</u>	 <u>\$ 18,849,992</u>
 Total OPEB liability as a percentage of covered-employee payroll	 <u>730.94%</u>	 <u>685.34%</u>
 Discount rate	 <u>3.88%</u>	 <u>4.18%</u>

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 increased from 2.05% to 4.18% effective with the December 31, 2022 measurement date offset by a favorable decrease in healthcare rates.

See independent auditors' report.

2021	2020	2019	2018
\$ 3,173,404	\$ 3,111,596	\$ 1,716,245	\$ 1,392,789
3,601,117	3,787,983	5,527,992	5,637,408
-	-	-	-
-	-	-	-
(1,145,109) (6)	(14,456,350) (5)	32,582,606 (4)	-
(4,316,401)	(4,289,401)	(3,684,113)	(3,714,321)
1,313,011	(11,846,172)	36,142,730	3,315,876
<u>177,822,425</u>	<u>189,668,597</u>	<u>153,525,867</u>	<u>150,209,991</u> (3)
<u>\$ 179,135,436</u>	<u>\$ 177,822,425</u>	<u>\$ 189,668,597</u>	<u>\$ 153,525,867</u>
<u>\$ 16,601,478</u>	<u>\$ 16,601,478</u>	<u>\$ 16,436,040</u>	<u>\$ 16,436,040</u>
<u>1079.03%</u>	<u>1071.12%</u>	<u>1153.98%</u>	<u>934.08%</u>
<u>2.05%</u>	<u>2.02%</u>	<u>3.00%</u>	<u>3.80%</u>

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)

	<u>2023 (3)</u>	<u>2022 (4)</u>	<u>2021 (4)</u>	<u>2020 (3)</u>
City's proportion of the net pension liability (asset)	<u>0.0339634%</u>	<u>0.0342548%</u>	<u>0.0344026%</u>	<u>0.0349518%</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 7,283,115</u>	<u>\$ (2,800,189)</u>	<u>\$ 34,256</u>	<u>\$ 9,255,446</u>
City's covered payroll	<u>\$ 11,216,290</u>	<u>\$ 9,996,753</u>	<u>\$ 9,808,095</u>	<u>\$ 9,549,592</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>64.93%</u>	<u>(28.01%)</u>	<u>0.35%</u>	<u>96.92%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>

Schedule of Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	<u>\$ 1,384,507</u>	<u>\$ 1,575,730</u>	<u>\$ 1,690,127</u>	<u>\$ 1,542,677</u>
Contributions in relation to the contractually required contribution	<u>(1,384,507)</u>	<u>(1,575,730)</u>	<u>(1,690,127)</u>	<u>(1,542,677)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 11,342,936</u>	<u>\$ 10,611,097</u>	<u>\$ 9,469,440</u>	<u>\$ 9,710,183</u>
Contributions as a percentage of covered payroll	<u>12.21%</u>	<u>14.85%</u>	<u>17.85%</u>	<u>15.89%</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.

2019	2018	2017	2016	2015
<u>0.0328235%</u>	<u>0.0314608%</u>	<u>0.0304623%</u>	<u>0.0343634%</u>	<u>0.0337201%</u>
\$ 2,325,643	\$ 1,015,381	\$ 2,862,302	\$ 5,515,425	\$ 1,139,149
\$ 9,450,409	\$ 9,354,125	\$ 8,810,715	\$ 8,226,192	\$ 8,387,391
<u>24.61%</u>	<u>10.85%</u>	<u>32.49%</u>	<u>67.05%</u>	<u>13.58%</u>
<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>
<hr/>				
2019	2018	2017	2016	2015
\$ 1,523,656	\$ 1,618,743	\$ 1,563,876	\$ 1,521,851	\$ 1,320,000
<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>
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,591,392	\$ 9,298,358	\$ 9,306,418	\$ 8,590,577	\$ 8,515,855
<u>15.89%</u>	<u>17.41%</u>	<u>16.80%</u>	<u>17.72%</u>	<u>15.50%</u>

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)

	2023 (3)	2022 (4)	2021 (4)
City's proportion of the net pension liability	<u>0.2360115%</u>	<u>0.2367843%</u>	<u>0.2424648%</u>
City's proportionate share of the net pension liability	<u>\$ 13,005,347</u>	<u>\$ 1,345,040</u>	<u>\$ 4,047,671</u>
City's covered payroll	<u>\$ 11,736,331</u>	<u>\$ 9,868,956</u>	<u>\$ 9,135,898</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>110.81%</u>	<u>13.63%</u>	<u>44.31%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.43%</u>	<u>98.66%</u>	<u>95.79%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2023	2022	2021
Contractually required contribution	\$ 3,186,808	\$ 2,771,687	\$ 2,680,861
Contributions in relation to the contractually required contribution	<u>(3,186,808)</u>	<u>(2,771,687)</u>	<u>(2,680,861)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 11,990,013</u>	<u>\$ 11,161,610</u>	<u>\$ 9,094,804</u>
Contributions as a percentage of covered payroll	<u>26.58%</u>	<u>24.83%</u>	<u>29.48%</u>

(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.

2020 (3)	2019	2018	2017	2016	2015
<u>0.2398745%</u>	<u>0.2361000%</u>	<u>0.2344788%</u>	<u>0.2314847%</u>	<u>0.2700003%</u>	<u>0.2583584%</u>
<u>\$ 12,821,139</u>	<u>\$ 3,959,546</u>	<u>\$ 2,370,011</u>	<u>\$ 4,797,873</u>	<u>\$ 7,994,133</u>	<u>\$ 711,156</u>
<u>\$ 9,205,765</u>	<u>\$ 9,132,541</u>	<u>\$ 9,262,166</u>	<u>\$ 8,615,754</u>	<u>\$ 8,377,415</u>	<u>\$ 8,609,537</u>
<u>139.27%</u>	<u>43.36%</u>	<u>25.59%</u>	<u>55.69%</u>	<u>95.42%</u>	<u>8.26%</u>
<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</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>
2020	2019	2018	2017	2016	2015
\$ 2,340,698	\$ 2,241,791	\$ 2,330,862	\$ 2,301,594	\$ 2,202,962	\$ 1,988,000
<u>(2,340,698)</u>	<u>(2,241,791)</u>	<u>(2,330,862)</u>	<u>(2,301,594)</u>	<u>(2,202,962)</u>	<u>(1,988,000)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,206,753	\$ 9,054,398	\$ 9,336,993	\$ 9,114,808	\$ 8,543,817	\$ 8,666,097
<u>25.42%</u>	<u>24.76%</u>	<u>24.96%</u>	<u>25.25%</u>	<u>25.78%</u>	<u>22.94%</u>

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

	2022	2021
Total Pension Liability		
Service Cost	\$ 56,894	\$ 49,596
Interest	94,673	84,009
Changes of assumptions or other inputs	(975,304)	(189,005)
Differences between expected and actual experience	46,780	110,627
Benefit payments	<u>(194,460)</u>	<u>(183,240)</u>
Net change in total pension liability	(971,417)	(128,013)
Total pension liability – beginning	<u>4,266,816</u>	<u>4,394,829</u>
Total pension liability – ending	<u><u>\$ 3,295,399</u></u>	<u><u>\$ 4,266,816</u></u>
Covered-employee payroll	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	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%
December 31, 2022: 4.31%

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.

2020	2019	2018	2017	2016
\$ 41,621	\$ 44,322	\$ 61,779	\$ 55,650	\$ 74,287
117,813	123,887	112,423	121,566	110,747
740,702	180,557	(232,718)	258,867	(244,929)
25,047	43,600	63,552	(28,447)	17,141
(205,281)	(153,240)	(130,340)	(135,171)	(110,300)
719,902	239,126	(125,304)	272,465	(153,054)
3,674,927	3,435,801	3,561,105	3,288,640	3,441,694
\$ 4,394,829	\$ 3,674,927	\$ 3,435,801	\$ 3,561,105	\$ 3,288,640
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

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

	2022	2021	2020
Total Pension Liability			
Service Cost	\$ 82,452	\$ 100,728	\$ 67,543
Interest	30,041	26,671	31,584
Changes of assumptions or other inputs	(471,484)	(85,644)	310,622
Differences between expected and actual experience	(14,978)	(53,894)	(21,598)
Benefit payments	(10,860)	(9,920)	(6,580)
Net change in total pension liability	(384,829)	(22,059)	381,571
Total pension liability – beginning	<u>1,264,096</u>	<u>1,286,155</u>	<u>904,584</u>
Total pension liability – ending	<u>\$ 879,267</u>	<u>\$ 1,264,096</u>	<u>\$ 1,286,155</u>
Covered-employee payroll	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	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%
 December 31, 2022: 4.31%

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.

2019	2018	2017	2016
\$ 58,115	\$ 60,542	\$ 54,562	\$ 58,901
30,551	26,172	27,643	23,136
63,547	(78,012)	78,468	(77,880)
(27,915)	16,977	(72,233)	22,272
(1,800)	(22,559)	-	-
122,498	3,120	88,440	26,429
782,086	778,966	690,526	664,097
\$ 904,584	\$ 782,086	\$ 778,966	\$ 690,526
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

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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, 2023
 (With Comparative Totals for 2022)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Totals	
				2023	2022
ASSETS					
Cash and equivalents	\$ 13,341,123	\$ -	\$ -	\$ 13,341,123	\$ 16,929,704
Investments	-	2,252,662	954,819	3,207,481	3,087,954
Taxes receivable					
City taxes	1,680,981	-	-	1,680,981	1,511,270
County taxes	309,791	-	-	309,791	261,525
School districts taxes	1,310,070	-	-	1,310,070	977,797
Installment agreements	14,482	-	-	14,482	14,482
Allowance for uncollectible taxes	3,315,324	-	-	3,315,324	2,765,074
	(516,706)	-	-	(516,706)	(282,167)
	2,798,618	-	-	2,798,618	2,482,907
Other receivables					
Accounts	614,281	97,557	-	711,838	477,088
State and Federal aid	1,836,363	-	-	1,836,363	1,765,717
Due from other governments	1,576,378	-	-	1,576,378	962,751
Due from other funds	2,474,884	-	-	2,474,884	1,572,331
Due from fiduciary fund	-	-	-	-	339,220
	6,501,906	97,557	-	6,599,463	5,117,107
Prepaid expenditures	1,402,023	-	-	1,402,023	1,283,403
Total Assets	\$ 24,043,670	\$ 2,350,219	\$ 954,819	\$ 27,348,708	\$ 28,901,075
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,312,056	\$ -	\$ -	\$ 1,312,056	\$ 1,376,422
Accrued liabilities	1,814,513	-	-	1,814,513	732,697
Deposits payable	1,259,941	-	-	1,259,941	1,255,421
Employee payroll deductions	144,886	-	-	144,886	207,716
Due to other funds	511,079	-	-	511,079	48,727
Unearned revenues	2,491,787	-	-	2,491,787	2,512,168
Total Liabilities	7,534,262	-	-	7,534,262	6,133,151
Deferred inflows of resources					
Deferred tax revenues	2,044,273	-	-	2,044,273	1,746,393
Total Liabilities and Deferred Inflows of Resources	9,578,535	-	-	9,578,535	7,879,544
Fund balances					
Nonspendable	1,402,023	-	-	1,402,023	1,283,403
Restricted	5,943,152	2,350,219	954,819	9,248,190	8,893,314
Committed	523,975	-	-	523,975	873,975
Assigned	2,528,979	-	-	2,528,979	2,387,401
Unassigned	4,067,006	-	-	4,067,006	7,583,438
Total Fund Balances	14,465,135	2,350,219	954,819	17,770,173	21,021,531
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,043,670	\$ 2,350,219	\$ 954,819	\$ 27,348,708	\$ 28,901,075

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, 2023
 (With Comparative Totals for 2022)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Eliminations
REVENUES				
Real property taxes	\$ 17,964,555	\$ -	\$ -	\$ -
Other tax items	8,797,128	-	-	-
Non-property taxes	7,773,291	-	-	-
Departmental income	4,049,969	97,557	-	(97,557)
Charges for services	175,509	-	-	-
Use of money and property	686,879	142,371	121,219	-
Licenses and permits	1,125,610	-	-	-
Fines and forfeitures	1,158,762	-	-	-
Sale of property and compensation for loss	10,634	-	-	-
State aid	2,720,251	-	-	-
Federal aid	252,476	-	-	-
Miscellaneous	309,710	-	-	-
Total Revenues	45,024,774	239,928	121,219	(97,557)
EXPENDITURES				
Current				
General government support	6,311,958	-	-	-
Public safety	16,380,349	218,526	-	(97,557)
Health	536,905	-	23,094	-
Transportation	2,343,739	-	-	-
Economic opportunity and development	639,933	-	-	-
Culture and recreation	2,943,112	-	-	-
Home and community services	3,104,159	-	-	-
Employee benefits	12,995,229	-	-	-
Debt service				
Principal	2,624,673	-	-	-
Interest	827,650	-	-	-
Total Expenditures	48,707,707	218,526	23,094	(97,557)
Excess (Deficiency) of Revenues Over Expenditures	(3,682,933)	21,402	98,125	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	201,378	-	-	-
Transfers in	749,587	-	-	-
Transfers out	(638,917)	-	-	-
Total Other Financing Sources (Uses)	312,048	-	-	-
Net Change in Fund Balances	(3,370,885)	21,402	98,125	-
FUND BALANCES				
Beginning of Year	17,836,020	2,328,817	856,694	-
End of Year	\$ 14,465,135	\$ 2,350,219	\$ 954,819	\$ -

See independent auditors' report.

<u>Totals</u>	
<u>2023</u>	<u>2022</u>
\$ 17,964,555	\$ 17,777,993
8,797,128	8,856,433
7,773,291	7,507,867
4,049,969	4,087,436
175,509	49,347
950,469	62,059
1,125,610	765,574
1,158,762	1,004,174
 10,634	42,983
2,720,251	3,299,905
252,476	400,824
<u>309,710</u>	<u>400,030</u>
<u>45,288,364</u>	<u>44,254,625</u>
 6,311,958	4,923,525
16,501,318	15,651,496
559,999	607,932
2,343,739	2,785,708
639,933	604,642
2,943,112	2,936,960
3,104,159	2,771,175
12,995,229	11,587,647
 2,624,673	2,508,083
<u>827,650</u>	<u>792,815</u>
<u>48,851,770</u>	<u>45,169,983</u>
 (3,563,406)	(915,358)
 201,378	99,953
749,587	715,000
<u>(638,917)</u>	<u>(600,000)</u>
<u>312,048</u>	<u>214,953</u>
 (3,251,358)	(700,405)
 <u>21,021,531</u>	<u>21,721,936</u>
<u>\$ 17,770,173</u>	<u>\$ 21,021,531</u>

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City of Peekskill, New York

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

	2023	2022
ASSETS		
Cash and equivalents	\$ 13,341,123	\$ 16,929,704
Taxes receivable		
City taxes	1,680,981	1,511,270
County taxes	309,791	261,525
Delinquent school districts taxes	1,310,070	977,797
Installment agreements	14,482	14,482
Allowance for uncollectible taxes	3,315,324 (516,706)	2,765,074 (282,167)
	2,798,618	2,482,907
Other receivables		
Accounts	614,281	379,531
State and Federal aid	1,836,363	1,765,717
Due from other governments	1,576,378	962,751
Due from other funds	2,474,884	1,572,331
Due from fiduciary fund	-	339,220
	6,501,906	5,019,550
Prepaid expenditures	1,402,023	1,283,403
Total Assets	\$ 24,043,670	\$ 25,715,564
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,312,056	\$ 1,376,422
Accrued liabilities	1,814,513	732,697
Deposits payable	1,259,941	1,255,421
Employee payroll deductions	144,886	207,716
Due to other funds	511,079	48,727
Unearned revenues	2,491,787	2,512,168
Total Liabilities	7,534,262	6,133,151
Deferred inflows of resources		
Deferred tax revenues	2,044,273	1,746,393
Total Liabilities and Deferred Inflows of Resources	9,578,535	7,879,544
Fund balance		
Nonspendable	1,402,023	1,283,403
Restricted	5,943,152	5,707,803
Committed	523,975	873,975
Assigned	2,528,979	2,387,401
Unassigned	4,067,006	7,583,438
Total Fund Balance	14,465,135	17,836,020
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 24,043,670	\$ 25,715,564

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,

2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 18,493,000	\$ 18,493,000	\$ 17,964,555	\$ (528,445)
Other tax items	9,257,734	9,257,734	8,797,128	(460,606)
Non-property taxes	6,582,592	6,582,592	7,773,291	1,190,699
Departmental income	4,080,579	4,143,015	4,049,969	(93,046)
Charges for services	138,000	138,000	175,509	37,509
Use of money and property	390,250	814,804	686,879	(127,925)
Licenses and permits	766,875	766,875	1,125,610	358,735
Fines and forfeitures	1,126,000	1,126,000	1,158,762	32,762
Sale of property and compensation for loss	11,000	11,000	10,634	(366)
State aid	3,104,384	3,104,384	2,720,251	(384,133)
Federal aid	285,000	531,637	252,476	(279,161)
Miscellaneous	148,350	153,350	309,710	156,360
Total Revenues	44,383,764	45,122,391	45,024,774	(97,617)
EXPENDITURES				
Current				
General government support	5,339,352	6,323,973	6,311,958	12,015
Public safety	15,976,794	15,720,261	16,380,349	(660,088)
Health	772,000	536,905	536,905	-
Transportation	2,436,118	2,513,803	2,343,739	170,064
Economic opportunity and development	562,072	632,686	639,933	(7,247)
Culture and recreation	3,061,829	3,498,789	2,943,112	555,677
Home and community services	3,178,026	3,171,188	3,104,159	67,029
Employee benefits	12,670,000	13,162,671	12,995,229	167,442
Debt service				
Principal	2,521,833	2,476,916	2,624,673	(147,757)
Interest	759,133	848,671	827,650	21,021
Total Expenditures	47,277,157	48,885,863	48,707,707	178,156
Deficiency of Revenues Over Expenditures	(2,893,393)	(3,763,472)	(3,682,933)	80,539
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	60,000	60,000	201,378	141,378
Transfers in	698,000	698,000	749,587	51,587
Transfers out	(500,000)	(711,612)	(638,917)	72,695
Total Other Financing Sources (Uses)	258,000	46,388	312,048	265,660
Net Change in Fund Balance	(2,635,393)	(3,717,084)	(3,370,885)	346,199
FUND BALANCE				
Beginning of Year	2,635,393	3,717,084	17,836,020	14,118,936
End of Year	\$ -	\$ -	\$ 14,465,135	\$ 14,465,135

See independent auditors' report.

2022

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 18,230,000	\$ 18,230,000	\$ 17,777,993	\$ (452,007)
8,806,651	8,806,651	8,856,433	49,782
5,425,000	5,425,000	7,507,867	2,082,867
3,875,650	3,921,334	4,087,436	166,102
140,000	140,000	49,347	(90,653)
425,000	425,000	519,445	94,445
845,040	845,040	765,574	(79,466)
907,186	907,186	1,004,174	96,988
 11,000	 11,000	 42,983	 31,983
2,877,384	2,877,384	3,299,905	422,521
1,455,000	1,803,018	400,824	(1,402,194)
139,300	139,300	400,030	260,730
 43,137,211	 43,530,913	 44,712,011	 1,181,098
 5,099,964	 4,981,569	 4,923,525	 58,044
14,768,676	15,707,719	15,533,849	173,870
385,087	624,081	623,993	88
2,434,738	2,806,865	2,785,708	21,157
478,877	650,830	604,642	46,188
2,800,018	3,143,159	2,936,960	206,199
3,033,838	2,987,847	2,771,175	216,672
11,590,000	11,438,323	11,587,647	(149,324)
 2,504,244	 2,576,160	 2,508,083	 68,077
786,450	724,738	792,815	(68,077)
 43,881,892	 45,641,291	 45,068,397	 572,894
 (744,681)	 (2,110,378)	 (356,386)	 1,753,992
 65,000	 65,000	 99,953	 34,953
823,000	823,000	715,000	(108,000)
(1,840,000)	(600,000)	(600,000)	-
 (952,000)	 288,000	 214,953	 (73,047)
 (1,696,681)	 (1,822,378)	 (141,433)	 1,680,945
 1,696,681	 1,822,378	 17,977,453	 16,155,075
 \$ -	 \$ -	 \$ 17,836,020	 \$ 17,836,020

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
REAL PROPERTY TAXES	\$ 18,493,000	\$ 18,493,000	\$ 17,964,555	\$ (528,445)	\$ 17,777,993
OTHER TAX ITEMS					
Interest and penalties on real property taxes	386,100	386,100	319,314	(66,786)	366,542
Gain on sale of tax acquired property	600,000	600,000	-	(600,000)	589
Payments in lieu of taxes	7,271,634	7,271,634	7,403,487	131,853	7,009,872
Real estate transfer tax	1,000,000	1,000,000	1,074,327	74,327	1,479,430
	9,257,734	9,257,734	8,797,128	(460,606)	8,856,433
NON-PROPERTY TAXES					
Non-property tax distribution from County	5,617,592	5,617,592	6,609,490	991,898	6,594,211
Utilities gross receipts taxes	375,000	375,000	360,441	(14,559)	436,926
Hotel tax	250,000	250,000	258,142	8,142	246,969
Cable television franchise fees	340,000	340,000	545,218	205,218	229,761
	6,582,592	6,582,592	7,773,291	1,190,699	7,507,867
DEPARTMENTAL INCOME					
Charges for tax advertising	1,000	1,000	615	(385)	325
Comptroller's fees	75,000	75,000	103,300	28,300	143,302
Assessor's fees	500	500	130	(370)	133
City Clerk fees	5,000	5,000	3,445	(1,555)	7,938
Police fees	68,100	68,100	61,628	(6,472)	50,463
Vital statistics	10,000	10,000	10,058	58	7,809
Ambulance charges	80,000	80,000	82,194	2,194	62,740
Public Works fees	16,000	16,000	19,340	3,340	21,526
Parking lots and garages	915,654	915,654	865,872	(49,782)	886,530
Parks and recreation charges	245,000	245,000	259,527	14,527	254,678
Concessions and rentals	31,000	31,000	18,909	(12,091)	34,637
Pool and marina charges	114,000	114,000	96,076	(17,924)	99,823
Other recreation income	25,000	25,000	31,340	6,340	30,211

Zoning and Planning Board fees	50,750	50,750	103,200	52,450	67,025
Sale of electric power	1,885,000	1,885,000	1,885,000	-	1,885,000
Dumpster fees	328,000	328,000	332,876	4,876	320,930
Fire Inspection Fees	75,000	75,000	-	(75,000)	-
Recycling fees	110,000	110,000	110,000	-	110,000
Participant's contributions - Nutrition programs	24,000	24,000	4,586	(19,414)	2,744
Youth programs - Westchester County L.I.F.T. grant	-	37,109	23,058	(14,051)	54,546
Youth programs - various	-	25,327	-	(25,327)	-
Other departmental income	21,575	21,575	38,815	17,240	47,076
CHARGES FOR SERVICES	4,080,579	4,143,015	4,049,969	(93,046)	4,087,436
County prisoner transportation	90,000	90,000	125,175	35,175	-
Snow removal	48,000	48,000	50,334	2,334	49,347
USE OF MONEY AND PROPERTY	138,000	138,000	175,509	37,509	49,347
Earnings on investments	40,000	40,000	333,852	293,852	96,041
Rentals of real property	350,250	774,804	353,027	(421,777)	423,404
	390,250	814,804	686,879	(127,925)	519,445
LICENSES AND PERMITS					
Business and occupational licenses	35,000	35,000	32,828	(2,172)	38,787
Bingo licenses	500	500	1,689	1,189	2,729
Dog licenses and apportionment	3,000	3,000	2,555	(445)	3,132
Marriage licenses	4,000	4,000	5,139	1,139	5,695
Other licenses	25	25	-	(25)	11,448
Public safety permits	4,100	4,100	9,340	5,240	5,650
Building permits	400,000	400,000	744,801	344,801	278,344
Street opening permits	80,000	80,000	73,699	(6,301)	174,546
Plumbing permits	75,000	75,000	131,913	56,913	94,042
Other permits	165,250	165,250	123,646	(41,604)	151,201
	766,875	766,875	1,125,610	358,735	765,574

(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, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
FINES AND FORFEITURES	\$ 1,126,000	\$ 1,126,000	\$ 1,158,762	\$ 32,762	\$ 1,004,174
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	11,000	11,000	10,634	(366)	42,983
STATE AID					
Mortgage tax	775,000	775,000	384,678	(390,322)	967,774
Court facilities aid	105,000	105,000	107,056	2,056	102,095
Per capita	2,219,384	2,219,384	2,219,384	-	2,219,384
Public safety grants	5,000	5,000	9,133	4,133	10,652
	3,104,384	3,104,384	2,720,251	(384,133)	3,299,905
FEDERAL AID					
Workforce Investment Act	35,000	212,018	153,041	(58,977)	262,110
Mental Health	-	69,619	-	(69,619)	-
Nutrition for the Elderly - Title IIIC	250,000	250,000	99,435	(150,565)	138,714
	285,000	531,637	252,476	(279,161)	400,824
MISCELLANEOUS					
Gifts and donations	250	5,250	57,840	52,590	1,200
Police overtime reimbursement	100,000	100,000	107,672	7,672	97,424
Other	48,100	48,100	144,198	96,098	301,406
	148,350	153,350	309,710	156,360	400,030
TOTAL REVENUES	44,383,764	45,122,391	45,024,774	(97,617)	44,712,011

OTHER FINANCING SOURCES

Insurance recoveries	60,000	60,000	201,378	141,378	99,953
Transfers in					
Capital Fund	-	-	91,587	91,587	-
Water Fund	600,000	600,000	560,000	(40,000)	617,000
Community Development Fund	98,000	98,000	98,000	-	98,000
	698,000	698,000	749,587	51,587	715,000
TOTAL OTHER FINANCING SOURCES	758,000	758,000	950,965	192,965	814,953
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 45,141,764	\$ 45,880,391	\$ 45,975,739	\$ 95,348	\$ 45,526,964

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, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
GENERAL GOVERNMENT SUPPORT					
Common Council	\$ 82,852	\$ 87,685	\$ 87,684	\$ 1	\$ 98,126
Unified Court	83,100	66,899	66,813	86	73,344
Mayor	24,660	18,748	18,527	221	7,888
City Manager	294,549	310,383	310,233	150	290,721
Comptroller	658,844	692,499	692,452	47	599,836
Assessment	276,566	308,490	308,325	165	316,406
Tax Review Board	2,100	2,100	2,050	50	1,600
Expenses on property acquired for taxes	10,000	-	-	-	4,686
City Clerk	200,885	273,509	273,477	32	272,977
Law	401,486	416,866	416,804	62	394,626
Personnel	271,168	317,166	317,078	88	274,328
Elections	41,956	44,952	44,952	-	43,551
Parking Violations Bureau	213,530	111,355	111,323	32	115,035
Public Works administration	356,852	367,788	367,742	46	341,755
Building maintenance	784,310	749,356	733,819	15,537	770,717
Central data processing	341,131	260,885	256,525	4,360	319,983
Central printing and mailing	21,000	25,460	25,453	7	33,965
Special items					
Unallocated insurance	527,308	687,558	735,489	(47,931)	507,530
Municipal association dues	6,500	7,286	7,286	-	7,286
Judgments and claims	247,290	1,220,790	1,220,738	52	692
Taxes on City property	35,000	35,580	35,577	3	-
Metropolitan transportation and mobility tax	67,500	78,133	78,133	-	72,608
Miscellaneous services	180,000	201,500	201,478	22	375,865
Contingency	200,000	38,985	-	38,985	-
	5,339,352	6,323,973	6,311,958	12,015	4,923,525

PUBLIC SAFETY

Police Department	9,960,256	9,951,529	10,523,287	(571,758)	9,805,574
Traffic control	155,923	117,413	117,412	1	146,889
Fire Department	4,857,292	4,810,632	5,044,823	(234,191)	4,965,693
Control of animals	125,023	90,980	90,980	-	109,803
Building and plumbing	678,618	739,648	597,370	142,278	502,938
Civil defense	199,682	10,059	6,477	3,582	2,952
	<u>15,976,794</u>	<u>15,720,261</u>	<u>16,380,349</u>	<u>(660,088)</u>	<u>15,533,849</u>

HEALTH

Ambulance	772,000	536,905	536,905	-	623,993
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TRANSPORTATION

Street maintenance	1,214,740	1,411,867	1,275,985	135,882	1,443,147
Central garage	418,898	387,012	387,012	-	368,278
Snow removal	348,591	183,957	164,518	19,439	328,304
Street lighting	247,935	250,488	250,488	-	340,279
Off-street parking	205,954	280,479	265,736	14,743	305,700
	<u>2,436,118</u>	<u>2,513,803</u>	<u>2,343,739</u>	<u>170,064</u>	<u>2,785,708</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Youth Board - Job training	6,434	74,123	74,123	-	101,344
Nutrition program for the elderly	555,638	558,563	565,810	(7,247)	503,298
	<u>562,072</u>	<u>632,686</u>	<u>639,933</u>	<u>(7,247)</u>	<u>604,642</u>

CULTURE AND RECREATION

Recreation administration	376,952	376,897	376,897	-	323,118
Parks maintenance	1,097,032	1,225,902	833,318	392,584	897,083
Playgrounds	394,604	322,973	299,279	23,694	265,837
Kiley sports program	226,459	190,852	190,744	108	201,879
Youth bureau	260,549	610,757	479,300	131,457	595,833
Summer recreation programs	102,312	107,841	107,380	461	97,770
Pool	171,207	170,540	170,490	50	156,563
Marina	15,657	12,365	12,293	72	10,922
Riverfront programs	17,000	13,434	13,434	-	12,787

(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, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
CULTURE AND RECREATION (Continued)					
Civic theatres	\$ 123,664	\$ 165,752	\$ 158,541	\$ 7,211	\$ 131,891
Celebrations	53,789	50,660	50,660	-	17,162
Senior citizen club	168,791	195,873	195,833	40	173,615
Norwest program	53,813	53,813	53,813	-	52,500
	<u>3,061,829</u>	<u>3,498,789</u>	<u>2,943,112</u>	<u>555,677</u>	<u>2,936,960</u>
HOME AND COMMUNITY SERVICES					
Refuse collection and disposal	1,969,481	1,971,851	1,969,699	2,152	1,852,980
Street cleaning	108,538	100,441	100,441	-	114,440
Shade trees	25,956	-	-	-	-
Planning and development	1,067,672	1,040,576	945,699	94,877	791,417
Composting	6,379	58,320	88,320	(30,000)	12,338
	<u>3,178,026</u>	<u>3,171,188</u>	<u>3,104,159</u>	<u>67,029</u>	<u>2,771,175</u>
EMPLOYEE BENEFITS					
State retirement	1,350,000	1,099,381	1,161,805	(62,424)	1,268,651
Police retirement	3,050,000	3,447,486	3,239,924	207,562	2,602,547
Life, health and dental insurance	7,450,000	7,835,020	7,812,716	22,304	7,028,372
Unemployment benefits	20,000	10,260	10,260	-	29,130
Workers' compensation benefits	800,000	770,524	770,524	-	658,947
	<u>12,670,000</u>	<u>13,162,671</u>	<u>12,995,229</u>	<u>167,442</u>	<u>11,587,647</u>

DEBT SERVICE

Principal

Serial bonds

Notes

	2,050,700	2,050,700	2,050,700	-	2,210,800
	<u>471,133</u>	<u>426,216</u>	<u>573,973</u>	<u>(147,757)</u>	<u>297,283</u>
	2,521,833	2,476,916	2,624,673	(147,757)	2,508,083
Interest					
Serial bonds	604,269	604,269	604,266	3	654,942
Bond anticipation notes	-	52,500	52,500	-	18,500
Notes	154,864	191,902	170,884	21,018	119,373
	759,133	848,671	827,650	21,021	792,815
	3,280,966	3,325,587	3,452,323	(126,736)	3,300,898

TOTAL EXPENDITURES

47,277,157 48,885,863 48,707,707 178,156 45,068,397

OTHER FINANCING USES

Transfers out

Capital Projects Fund

	500,000	711,612	638,917	72,695	600,000
	<u>500,000</u>	<u>711,612</u>	<u>638,917</u>	<u>72,695</u>	<u>600,000</u>

TOTAL EXPENDITURES AND OTHER**FINANCING USES**

\$ 47,777,157	\$ 49,597,475	\$ 49,346,624	\$ 250,851	\$ 45,668,397
<u>\$ 47,777,157</u>	<u>\$ 49,597,475</u>	<u>\$ 49,346,624</u>	<u>\$ 250,851</u>	<u>\$ 45,668,397</u>

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
 Comparative Balance Sheet
 December 31,

	2023	2022
ASSETS		
Cash and equivalents	<u>\$ 4,525,885</u>	<u>\$ 4,131,237</u>
Receivables		
State aid	-	652,820
Due from other funds	<u>635,086</u>	<u>-</u>
	<u>635,086</u>	<u>652,820</u>
Total Assets	<u><u>\$ 5,160,971</u></u>	<u><u>\$ 4,784,057</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 246,789</u>	<u>\$ 37,875</u>
Bond anticipation notes payable	<u>1,650,000</u>	<u>1,750,000</u>
Due to other funds	<u>2,128,040</u>	<u>2,158,370</u>
	<u>4,024,829</u>	<u>3,946,245</u>
Fund balance		
Restricted	<u>1,136,142</u>	<u>837,812</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,160,971</u></u>	<u><u>\$ 4,784,057</u></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,

	<u>2023</u>	<u>2022</u>
REVENUES		
State aid	\$ 1,830,720	\$ 1,463,518
Federal aid	-	1,189,922
Miscellaneous	-	<u>1,483,138</u>
Total Revenues	1,830,720	4,136,578
EXPENDITURES		
Capital outlay	<u>4,579,599</u>	<u>5,437,062</u>
Deficiency of Revenues Over Expenditures	(2,748,879)	(1,300,484)
OTHER FINANCING SOURCES		
Notes issued	250,000	2,434,920
Transfers in	2,888,796	759,675
Transfers out	(91,587)	-
Total Other Financing Sources	<u>3,047,209</u>	<u>3,194,595</u>
Net Change in Fund Balance	298,330	1,894,111
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>837,812</u>	<u>(1,056,299)</u>
End of Year	<u>\$ 1,136,142</u>	<u>\$ 837,812</u>

See independent auditors' report.

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City of Peekskill, New York

Water Fund
 Comparative Balance Sheet
 December 31,

	2023	2022
ASSETS		
Cash and equivalents	\$ 6,103,483	\$ 6,004,211
Receivables		
Water rents	2,335,498	2,090,196
Due from other funds	26,610	635,086
	<hr/> 2,362,108	<hr/> 2,725,282
Prepaid expenditures	86,146	93,042
Inventories	<hr/> 220,146	<hr/> 203,116
Total Assets	<hr/> <hr/> \$ 8,771,883	<hr/> <hr/> \$ 9,025,651
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 61,723	\$ 528,342
Accrued liabilities	56,342	58,463
Due to other funds	<hr/> 637,897	<hr/> 23,185
Total Liabilities	<hr/> <hr/> 755,962	<hr/> <hr/> 609,990
Fund balance		
Nonspendable	306,292	296,158
Assigned	<hr/> 7,709,629	<hr/> 8,119,503
Total Fund Balance	<hr/> <hr/> 8,015,921	<hr/> <hr/> 8,415,661
Total Liabilities and Fund Balance	<hr/> <hr/> <hr/> \$ 8,771,883	<hr/> <hr/> <hr/> \$ 9,025,651

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,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 8,575,699	\$ 8,575,699	\$ 7,911,311	\$ (664,388)
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	45,000	45,000	56,760	11,760
Total Revenues	8,620,699	8,620,699	7,968,071	(652,628)
EXPENDITURES				
Current				
Home and community services	5,946,478	6,019,866	4,876,968	1,142,898
Debt service				
Principal	2,230,000	2,252,979	2,230,000	22,979
Interest	494,106	497,739	292,757	204,982
Total Expenditures	8,670,584	8,770,584	7,399,725	1,370,859
Excess (Deficiency) of Revenues Over Expenditures	(49,885)	(149,885)	568,346	718,231
OTHER FINANCING USES				
Transfers out	(250,000)	(250,000)	(968,086)	(718,086)
Net Change in Fund Balance	(299,885)	(399,885)	(399,740)	145
FUND BALANCE				
Beginning of Year	299,885	399,885	8,415,661	8,015,776
End of Year	\$ -	\$ -	\$ 8,015,921	\$ 8,015,921

See independent auditors' report.

2022

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)
<u>7,969,200</u>	<u>7,969,200</u>	<u>9,236,650</u>	<u>1,267,450</u>
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
<u>8,060,605</u>	<u>8,060,605</u>	<u>6,962,829</u>	<u>1,097,776</u>
(91,405)	(91,405)	2,273,821	2,365,226
(250,000)	(250,000)	(250,000)	-
(341,405)	(341,405)	2,023,821	2,365,226
<u>341,405</u>	<u>341,405</u>	<u>6,391,840</u>	<u>6,050,435</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,415,661</u>	<u>\$ 8,415,661</u>

City of Peekskill, New York

Section 8 Housing Fund
 Comparative Balance Sheet
 December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 359,532	\$ 199,299
Due from other funds	<u>47,937</u>	-
 Total Assets	 <u>\$ 407,469</u>	 <u>\$ 199,299</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 80,691	\$ 147
Accrued liabilities	19,392	14,313
Due to other funds	<u>173</u>	<u>21,305</u>
 Total Liabilities	 100,256	 35,765
 Fund balance		
Restricted	<u>307,213</u>	<u>163,534</u>
 Total Liabilities and Fund Balance	 <u>\$ 407,469</u>	 <u>\$ 199,299</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,**

	<u>2023</u>	<u>2022</u>
REVENUES		
Federal aid	\$ 9,328,195	\$ 8,417,886
Miscellaneous	11,083	9,970
 Total Revenues	 9,339,278	 8,427,856
EXPENDITURES		
Current		
Home and community services	9,195,599	8,432,234
 Excess (Deficiency) of Revenues Over Expenditures	 143,679	 (4,378)
FUND BALANCE		
Beginning of Year	<u>163,534</u>	<u>167,912</u>
 End of Year	 <u>\$ 307,213</u>	 <u>\$ 163,534</u>

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
 Combining Balance Sheet - Sub-Funds
 December 31, 2023
 (With Comparative Totals for 2022)

	Community Development	Urban County Consortium	Totals	
			2023	2022
ASSETS				
Cash and equivalents	\$ 1,786,102	\$ 3,926	\$ 1,790,028	\$ 1,848,036
Loans receivable	<u>754,235</u>	-	<u>754,235</u>	<u>781,210</u>
Total Assets	<u><u>\$ 2,540,337</u></u>	<u><u>\$ 3,926</u></u>	<u><u>\$ 2,544,263</u></u>	<u><u>\$ 2,629,246</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 754,235	\$ -	\$ 754,235	\$ 781,210
Fund balances				
Restricted	<u>1,786,102</u>	<u>3,926</u>	<u>1,790,028</u>	<u>1,848,036</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,540,337</u></u>	<u><u>\$ 3,926</u></u>	<u><u>\$ 2,544,263</u></u>	<u><u>\$ 2,629,246</u></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, 2023

(With Comparative Totals for 2022)

	Community Development	Urban County Consortium	Totals	
			2023	2022
REVENUES				
Use of money and property	\$ 12,956	\$ 61	\$ 13,017	\$ 13,888
Miscellaneous	26,975	-	26,975	40,833
Total Revenues	39,931	61	39,992	54,721
EXPENDITURES				
Excess of Revenues Over Expenditures	39,931	61	39,992	54,721
OTHER FINANCING USES				
Transfers out	(98,000)	-	(98,000)	(98,000)
Net Change in Fund Balances	(58,069)	61	(58,008)	(43,279)
FUND BALANCES				
Beginning of Year	1,844,171	3,865	1,848,036	1,891,315
End of Year	<u>\$ 1,786,102</u>	<u>\$ 3,926</u>	<u>\$ 1,790,028</u>	<u>\$ 1,848,036</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, 2023
 (With Comparative Totals for 2022)

	<u>Sewer</u>	<u>Recreation</u>	<u>Special Purpose</u>
ASSETS			
Cash and equivalents	\$ 2,703,995	\$ 75,789	\$ 78,759
Receivables			
Sewer rents	541,760	-	-
Due from other funds	93,138	-	-
	634,898	-	-
Prepaid expenditures	30,699	-	-
Total Assets	<u>\$ 3,369,592</u>	<u>\$ 75,789</u>	<u>\$ 78,759</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 40,141	\$ -	\$ -
Accrued liabilities	6,591	-	-
Due to other funds	466	-	-
	47,198	-	-
Total Liabilities	<u>47,198</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	30,699	-	-
Restricted	-	-	78,759
Committed	12,344	75,789	-
Assigned	3,279,351	-	-
	3,322,394	75,789	78,759
Total Fund Balances	<u>3,322,394</u>	<u>75,789</u>	<u>78,759</u>
Total Liabilities and Fund Balances	<u>\$ 3,369,592</u>	<u>\$ 75,789</u>	<u>\$ 78,759</u>

See independent auditors' report.

<u>Total Non-Major Governmental Funds</u>		
<u>Permanent</u>	<u>2023</u>	<u>2022</u>
\$ 102,765	\$ 2,961,308	\$ 3,976,161
-	541,760	498,153
-	93,138	-
-	634,898	498,153
-	30,699	35,021
<u>\$ 102,765</u>	<u>\$ 3,626,905</u>	<u>\$ 4,509,335</u>
\$ - \$ 40,141	\$ 32,000	
- 6,591	7,630	
- 466	4,557	
<u>- 47,198</u>	<u>44,187</u>	
100,000	130,699	135,021
2,765	81,524	83,223
-	88,133	1,365,212
-	3,279,351	2,881,692
<u>102,765</u>	<u>3,579,707</u>	<u>4,465,148</u>
<u>\$ 102,765</u>	<u>\$ 3,626,905</u>	<u>\$ 4,509,335</u>

City of Peekskill, New York

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes
in Fund Balances**

Year Ended December 31, 2023

(With Comparative Totals for 2022)

	<u>Sewer</u>	<u>Recreation</u>	<u>Special Purpose</u>
REVENUES			
Departmental income	\$ 1,669,326	\$ 22,500	\$ -
Use of money and property	-	64	-
Miscellaneous	-	-	28,712
 Total Revenues	 1,669,326	 22,564	 28,712
EXPENDITURES			
Current			
Culture and recreation	-	-	30,682
Home and community services	597,692	-	-
Debt service			
Principal	134,300	-	-
Interest	1,847	-	-
 Total Expenditures	 733,839	 -	 30,682
Excess (Deficiency) of Revenues Over Expenditures	935,487	22,564	(1,970)
OTHER FINANCING USES			
Transfers out	(542,150)	(1,299,643)	-
 Net Change in Fund Balances	 393,337	 (1,277,079)	 (1,970)
FUND BALANCES			
Beginning of Year	2,929,057	1,352,868	80,729
 End of Year	 \$ 3,322,394	 \$ 75,789	 \$ 78,759

See independent auditors' report.

<u>Total Non-Major Governmental Funds</u>		
<u>Permanent</u>	<u>2023</u>	<u>2022</u>
\$ - 271	\$ 1,691,826 335 28,712	\$ 1,959,313 182 43,512
<u>271</u>	<u>1,720,873</u>	<u>2,003,007</u>
-	30,682	41,110
-	597,692	769,436
-	134,300	129,200
-	1,847	5,308
<u>-</u>	<u>764,521</u>	<u>945,054</u>
271	956,352	1,057,953
<u>-</u>	<u>(1,841,793)</u>	<u>(526,675)</u>
271	(885,441)	531,278
<u>102,494</u>	<u>4,465,148</u>	<u>3,933,870</u>
<u>\$ 102,765</u>	<u>\$ 3,579,707</u>	<u>\$ 4,465,148</u>

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City of Peekskill, New York

Sewer Fund
 Comparative Balance Sheet
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 2,703,995	\$ 2,440,070
Receivables		
Sewer rents	541,760	498,153
Prepaid expenditures	30,699	35,021
Total Assets	<u>\$ 3,369,592</u>	<u>\$ 2,973,244</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 40,141	\$ 32,000
Accrued liabilities	6,591	7,630
Due to other funds	466	4,557
Total Liabilities	<u>47,198</u>	<u>44,187</u>
Fund balance		
Nonspendable	30,699	35,021
Committed	12,344	12,344
Assigned	3,279,351	2,881,692
Total Fund Balance	<u>3,322,394</u>	<u>2,929,057</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,369,592</u></u>	<u><u>\$ 2,973,244</u></u>

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,

2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	<u>\$ 1,707,120</u>	<u>\$ 1,707,120</u>	<u>\$ 1,669,326</u>	<u>\$ (37,794)</u>
EXPENDITURES				
Current				
Home and community services	1,028,823	935,684	597,692	337,992
Debt service				
Principal	134,300	214,725	134,300	80,425
Interest	1,847	14,561	1,847	12,714
Total Expenditures	<u>1,164,970</u>	<u>1,164,970</u>	<u>733,839</u>	<u>431,131</u>
Excess of Revenues Over Expenditures	542,150	542,150	935,487	393,337
OTHER FINANCING USES				
Transfers out	<u>(542,150)</u>	<u>(542,150)</u>	<u>(542,150)</u>	<u>-</u>
Net Change in Fund Balance	-	-	393,337	393,337
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>2,929,057</u>	<u>2,929,057</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,322,394</u>	<u>\$ 3,322,394</u>

See independent auditors' report.

2022

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,654,005	\$ 1,654,005	\$ 1,693,813	\$ 39,808
1,125,636	1,125,636	769,436	356,200
129,200 5,308	129,200 5,308	129,200 5,308	- -
<u>1,260,144</u>	<u>1,260,144</u>	<u>903,944</u>	<u>356,200</u>
393,861	393,861	789,869	396,008
<u>(460,000)</u>	<u>(460,000)</u>	<u>(460,000)</u>	<u>-</u>
(66,139)	(66,139)	329,869	396,008
<u>66,139</u>	<u>66,139</u>	<u>2,599,188</u>	<u>2,533,049</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,929,057</u>	<u>\$ 2,929,057</u>

City of Peekskill, New York

Recreation Fund
Comparative Balance Sheet
December 31,

	2023	2022
ASSETS		
Cash and equivalents	<u>\$ 75,789</u>	<u>\$ 1,352,868</u>
FUND BALANCE		
Committed	<u>\$ 75,789</u>	<u>\$ 1,352,868</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>2023</u>	<u>2022</u>
REVENUES		
Departmental income	\$ 22,500	\$ 265,500
Use of money and property	<u>64</u>	<u>31</u>
Total Revenues	22,564	265,531
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	22,564	265,531
OTHER FINANCING USES		
Transfers out	<u>(1,299,643)</u>	<u>(66,675)</u>
Net Change in Fund Balance	(1,277,079)	198,856
FUND BALANCE		
Beginning of Year	<u>1,352,868</u>	<u>1,154,012</u>
End of Year	<u>\$ 75,789</u>	<u>\$ 1,352,868</u>

See independent auditors' report.

City of Peekskill, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	<u>\$ 78,759</u>	<u>\$ 80,729</u>
FUND BALANCE		
Restricted	<u>\$ 78,759</u>	<u>\$ 80,729</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>2023</u>	<u>2022</u>
REVENUES		
Miscellaneous	\$ 28,712	\$ 43,512
EXPENDITURES		
Current		
Culture and recreation	<u>30,682</u>	<u>41,110</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,970)	2,402
FUND BALANCE		
Beginning of Year	<u>80,729</u>	<u>78,327</u>
End of Year	<u>\$ 78,759</u>	<u>\$ 80,729</u>

See independent auditors' report.

City of Peekskill, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	<u>\$ 102,765</u>	<u>\$ 102,494</u>
FUND BALANCE		
Nonspendable	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Restricted	<u>2,765</u>	<u>2,494</u>
Total Fund Balance	<u>\$ 102,765</u>	<u>\$ 102,494</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>2023</u>	<u>2022</u>
REVENUES		
Use of money and property	\$ 271	\$ 151
EXPENDITURES		
Excess of Revenues Over Expenditures	271	151
FUND BALANCE		
Beginning of Year	<u>102,494</u>	<u>102,343</u>
End of Year	<u>\$ 102,765</u>	<u>\$ 102,494</u>

See independent auditors' report.

City of Peekskill, New York

Schedule of Net Investment in Capital Assets
Year Ended December 31, 2023

Capital Assets, net	\$ 114,082,891
Less	
Bonds payable - Capital construction	\$ (34,960,000)
Bond anticipation notes payable	(1,650,000)
Notes payable - Financed purchases	(6,184,034)
Unamortized portion of premium on bonds	<u>(176,203)</u> (42,970,237)
Plus	
Unamortized portion of loss on bonds	731,901
Unspent debt proceeds	<u>2,082,275</u>
Net Investment in Capital Assets	\$ <u>73,926,830</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 73,926,830
Restricted	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	7,611,658
Unrestricted	(24,047,541)	(17,426,533)	(15,856,956)	(18,342,178)	(155,517,882)	(157,133,334)	(162,157,970)	(160,566,964)	(160,410,970)	(157,884,884)
Total Governmental Activities										
Net Position	<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>	<u>\$ (76,346,396)</u>

City of Peekskill, New York

Changes In Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Government activities										
General government support	\$ 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	\$ 9,716,087
Public safety	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	25,126,936
Health	252,607	225,287	141,690	209,569	372,518	383,494	479,063	232,352	764,086	633,896
Transportation	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	3,537,589
Economic opportunity and development	511,833	506,821	509,346	502,648	621,237	654,484	581,409	575,968	640,379	602,853
Culture and recreation	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	4,472,560
Home and community services	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	20,357,520
Interest	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	1,219,446
Total Governmental Activities Expenses	49,996,565	47,293,727	51,726,568	56,078,497	55,540,603	58,044,084	60,823,156	57,369,568	61,190,490.00	65,666,887
PROGRAM REVENUES										
Charges for Services										
General government support	578,462	775,078	574,543	622,453	2,625,479	2,431,620	2,466,245	2,519,040	2,669,827	2,507,978
Public safety	952,023	978,547	1,874,969	1,882,298	1,332,334	1,368,075	769,780	866,442	1,215,000	1,512,854
Health	6,334	14,425	31,912	102,334	11,918	116,990	81,834	76,913	98,111	82,194
Transportation	951,587	1,004,950	1,226,441	1,218,229	1,259,735	1,229,661	753,343	799,904	1,061,076	939,571
Economic opportunity and development	-	-	-	-	134,526	124,246	103,665	65,142	41,531	37,414
Culture and recreation	431,161	432,777	466,175	463,799	1,294,312	620,311	360,057	561,228	750,951	460,793
Home and community services	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	11,022,767
Operating Grants and Contributions	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	10,138,312
Capital Grants and Contributions	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	1,883,231
Total Program Revenues	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	28,585,114
Governmental Activities Net Expense	(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)	(37,081,773)
GENERAL REVENUES										
Real property taxes	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	18,262,435
Other tax items										
Interest and penalties on real property taxes	321,244	881,081	343,896	418,474	354,854	424,781	248,033	412,973	366,542	319,314
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	5,672,087	5,657,336	5,832,758	6,056,752	6,236,721	6,446,712	6,677,161	6,834,420	7,009,872	7,403,487
Real estate transfer tax	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	1,074,327
Non-property taxes	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	7,773,291
Unrestricted Use of Money and Property	4,286	3,436	3,650	8,556	29,080	82,982	50,985	22,568	79,854	281,341
Sale of property and compensation for loss	28,130	65,656	30,173	12,903	25,469	72,229	2,251	7,781	42,983	10,634
Unrestricted State aid	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	2,604,062
Miscellaneous	180,357	300,781	107,105	279,221	83,308	36,042	85,430	86,068	301,406	144,198
Insurance recoveries	215,024	193,316	197,548	74,516	130,608	54,865	141,333	94,535	99,953	201,378
Total General Revenue	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	38,074,467
Change in Net Position	\$ 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	\$ 992,694

City of Peekskill, New York

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 2,078,498	\$ 1,634,045	\$ 1,309,354	\$ 1,663,303
Restricted	3,115,738	3,098,483	6,882,176	8,410,442
Committed	937,975	1,783,975	2,783,975	873,975
Assigned	705,097	969,224	533,141	1,669,275
Unassigned	496,988	1,590,953	2,625,782	2,826,512
Total General Fund	<u>\$ 7,334,296</u>	<u>\$ 9,076,680</u>	<u>\$ 14,134,428</u>	<u>\$ 15,443,507</u>
All Other Governmental Funds				
Nonspendable	\$ 184,321	\$ 232,374	\$ 193,809	\$ 342,978
Restricted	9,762,026	4,063,447	115,617	6,754,259
Committed	500,793	493,891	777,390	865,921
Assigned	351,700	194,465	7,019,021	6,974,810
Unassigned	-	-	(539,655)	-
Unreserved, Reported in				
Major Funds	3,271,799	3,164,483	-	-
Non Major Funds	4,550,695	4,601,609	-	-
Total All Other Governmental Funds	<u>\$ 18,621,334</u>	<u>\$ 12,750,269</u>	<u>\$ 7,566,182</u>	<u>\$ 14,937,968</u>
Total Governmental Funds	<u>\$ 25,955,630</u>	<u>\$ 21,826,949</u>	<u>\$ 21,700,610</u>	<u>\$ 30,381,475</u>

	2018	2019	2020	2021	2022	2023
\$	1,535,350	\$ 1,358,529	\$ 1,593,723	\$ 1,227,320	\$ 1,283,403	\$ 1,402,023
8,609,430	8,376,139	8,629,080	8,989,887	8,893,314	9,248,190	
873,975	873,975	873,975	873,975	873,975	873,975	523,975
1,954,746	1,871,935	2,324,918	1,709,381	2,387,401	2,528,979	
3,339,464	4,802,441	5,512,804	8,921,373	7,583,438	4,067,006	
<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>	<u>\$ 17,770,173</u>	
\$	434,660	\$ 488,466	\$ 466,063	\$ 435,323	\$ 431,179	436,991
72,498	2,090,424	2,491,850	2,139,897	2,932,605	3,314,907	
1,270,801	838,356	1,045,366	1,166,356	1,365,212	88,133	
5,962,653	4,407,841	7,073,918	8,643,361	11,001,195	10,988,980	
(432,883)	(272,944)	(107,909)	(1,056,299)	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<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>\$ 14,829,011</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>	<u>\$ 32,599,184</u>	

City of Peekskill, New York

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017
REVENUES				
Real property taxes	\$ 14,057,239	\$ 15,496,328	\$ 16,328,161	\$ 16,285,502
Other tax items	6,899,141	7,991,485	7,140,831	8,463,366
Non-property taxes	4,163,848	4,156,767	4,221,507	4,223,139
Departmental income	11,420,772	11,969,556	12,738,828	12,889,756
Charges for Service	195,000	235,000	230,000	177,452
Use of money and property	384,863	357,041	413,543	422,429
Changes in fair value of investments	-	-	77,152	263,652
Licenses and permits	372,919	466,504	1,035,930	915,930
Fines and forfeitures	712,212	674,840	875,113	870,796
Sale of property and compensation for loss	28,130	65,656	30,173	12,903
State aid	6,008,711	7,510,427	4,362,086	4,021,034
Federal aid	6,407,808	7,276,203	6,301,710	7,047,453
Miscellaneous	557,520	3,086,869	503,400	971,229
Total Revenues	51,208,163	59,286,676	54,258,434	56,564,641
EXPENDITURES				
Current				
General government support	4,428,898	3,981,018	3,785,707	4,310,310
Public safety	12,129,990	11,999,014	12,300,725	12,726,377
Health	252,607	225,287	136,060	209,569
Transportation	2,196,806	2,370,074	2,226,156	2,386,106
Economic opportunity and development	450,117	431,911	428,847	435,518
Culture and recreation	2,630,915	2,580,986	2,374,962	2,551,522
Home and community services	13,106,985	13,165,156	13,519,608	13,478,566
Employee benefits	8,324,724	8,786,602	9,472,407	9,895,700
Debt service				
Principal	3,916,797	4,779,256	3,921,776	4,051,898
Interest	2,189,428	1,783,212	1,578,945	1,515,780
Refunding bond issuance costs	80,137	416,888	-	388,148
Advance refunding escrow	-	1,963,950	-	-
Capital outlay	8,042,065	11,542,207	7,520,802	11,531,935
Total Expenditures	57,749,469	64,025,561	57,265,995	63,481,429
Excess (Deficiency) of Revenues Over Expenditures	(6,541,306)	(4,738,885)	(3,007,561)	(6,916,788)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,445,166	1,754,939	1,841,758	2,573,749
Transfers out	(1,445,166)	(1,754,939)	(1,841,758)	(2,573,749)
Insurance recoveries	309,787	193,316	197,548	74,516
Bonds/Notes issued	-	-	-	14,610,000
Refunding bonds issued	3,270,000	26,125,000	-	12,810,000
Payment to refunded bond escrow agent	(3,298,007)	(25,708,112)	-	(12,663,805)
Issuance premium	108,144	-	30,100	241,953
Notes issued	189,265	-	-	524,989
Bond anticipation notes issued	1,100,000	-	-	-
Total Other Financing Sources (Uses)	1,679,189	610,204	227,648	15,597,653
Net Change in Fund Balances	\$ (4,862,117)	\$ (4,128,681)	\$ (2,779,913)	\$ 8,680,865
Debt Service as a Percentage of Non-Capital Expenditures	13.8%	14.2%	10.8%	10.3%

	2018	2019	2020	2021	2022	2023
\$	16,710,244	\$ 16,946,996	\$ 17,186,004	\$ 18,087,765	\$ 17,777,993	\$ 17,964,555
8,613,862	8,894,054	7,983,323	8,641,740	8,856,433	8,797,128	
4,656,721	5,046,559	5,737,077	6,779,704	7,507,867	7,773,291	
13,662,068	13,364,814	13,988,013	13,574,779	14,607,012	13,653,106	
172,106	234,651	147,431	55,330	49,347	175,509	
273,964	870,545	751,505	383,258	533,515	963,821	
-	-	-	284,586	(457,386)	-	
924,471	477,738	825,182	857,331	765,574	1,125,610	
1,083,346	974,223	467,634	746,272	1,004,174	1,158,762	
25,469	248,506	2,251	7,781	671,033	10,634	
4,510,909	4,750,980	5,760,178	3,746,036	4,763,423	4,550,971	
6,544,748	9,249,115	8,492,503	8,278,236	10,008,632	9,580,671	
440,331	499,123	460,269	4,721,396	2,025,820	433,240	
57,618,239	61,557,304	61,801,370	66,164,214	68,113,437	66,187,298	
4,256,940	4,380,526	4,440,270	4,879,243	4,923,525	6,311,958	
13,088,165	12,774,010	13,265,533	12,823,233	15,651,496	16,501,318	
297,125	266,499	401,674	132,832	607,932	559,999	
2,579,699	2,552,059	2,101,841	2,046,194	2,785,708	2,343,739	
553,459	573,087	528,741	529,954	604,642	639,933	
2,552,370	2,759,423	1,958,674	2,616,787	2,978,070	2,973,794	
14,463,633	15,511,396	14,413,874	15,059,473	16,432,874	17,774,418	
10,527,985	10,586,830	10,513,064	11,269,440	11,587,647	12,995,229	
4,721,904	4,810,183	4,768,919	4,997,365	4,777,283	4,988,973	
1,543,257	1,377,695	1,368,680	1,284,769	1,160,923	1,122,254	
-	-	-	-	-	-	
9,925,091	4,884,938	7,915,819	6,526,266	5,437,062	4,579,599	
64,509,628	60,476,646	61,677,089	62,165,556	66,947,162	70,791,214	
(6,891,389)	1,080,658	124,281	3,998,658	1,166,275	(4,603,916)	
2,179,842	2,749,057	833,000	1,362,459	1,474,675	3,638,383	
(2,179,842)	(2,749,057)	(833,000)	(1,362,459)	(1,474,675)	(3,638,383)	
130,608	54,865	141,333	94,535	99,953	201,378	
-	-	-	-	-	250,000	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	78,945	4,803,012	-	2,434,920	-	
-	-	-	-	-	-	
130,608	133,810	4,944,345	94,535	2,534,873	451,378	
\$ (6,760,781)	\$ 1,214,468	\$ 5,068,626	\$ 4,093,193	\$ 3,701,148	\$ (4,152,538)	

11.4% 11.1% 11.4% 11.4% 9.6% 9.3%

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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**

Year	Total Taxable Assessed Value	State Special Equalization Rate (1)	Estimated Actual Taxable Value	Total Direct Tax Rate
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	63,934,819	2.58	2,478,761,744	332.50
2023	64,497,756	2.39	2,698,650,879	335.26

(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	Total Direct Rate (1)	Overlapping Rates						
		Westchester County			Refuse Disposal District	Peekskill School District	Hendrick Hudson School District	Hudson School Library
		Operating	Sewer Districts					
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
2023	335.26	100.19	24.13	11.83	765.80	599.62		15.26

(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

2023					
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation	
1	Consolidated Edison of NY	Utility	\$ 4,126,793		6.40 %
2	Beach Improvements Owner LLC	Retail	989,500		1.53
3	BNS 1 LLC	Apartments	908,200		1.41
4	Crompond Apartment Owners Corp	Co-op Apts	543,738		0.84
5	BASF Color & Effects USA, LLC	Industrial	532,446		0.83
6	Crossroads Assoc's LLC	Apartments	485,040		0.75
7	Peekskill Towers Corp	Co-op Apts	401,179		0.62
8	River Ridge Owners Corp	Co-op Apts	380,178		0.59
9	Hudson View Peekskill, LLC	Apartments	345,000		0.53
10	Hampton Oaks, Inc.	Apartments	330,000		0.51
			\$ 9,042,074		12.97%
2014					
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation	
1	Consolidated Edison of NY	Utility	\$ 3,895,970		6.04 %
2	Beach Improvements Owner LLC	Retail	980,000		1.52
3	Crossroads Assoc, LLP	Apartment	828,300		1.28
4	Mearl Corporation	Industrial	725,285		1.12
5	Crompond Apartment Owners Corp.	Apartments	510,288		0.79
6	Peekskill Towers Corp.	Co-Op Apartments	452,937		0.70
7	River Ridge Owners Corp.	Co-Op Apartments	375,214		0.58
8	Hampton Oaks Inc.	Apartments	332,000		0.51
9	Morgan Patricia gardens	Apartment	305,800		0.47
10	Rea Park Associates, LLC	Apartments	292,600		0.45
			\$ 8,698,394		13.46%

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
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
2023	18,493,000	17,964,555	97.14	297,880	18,262,435	98.75

Source: City of Peekskill Finance Department; collections as of April 5, 2024

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	Premiums on General Obligation Bonds	Notes Payable	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)	Percentage Personal Income (1)
2014	\$ 59,553,577	\$ 214,568	\$ 790,025	\$ 60,558,170	3.86 %	\$ 2,517	8.47 %
2015	55,015,951	155,951	445,469	55,617,371	3.36	2,279	7.67
2016	51,274,025	114,025	223,693	51,611,743	3.05	2,147	7.11
2017	62,656,422	311,422	496,784	63,464,628	3.57	2,639	8.58
2018	58,091,880	286,880	314,880	58,693,640	3.33	2,418	7.85
2019	53,414,344	264,344	238,642	53,917,330	2.72	2,246	7.23
2020	48,896,808	241,808	4,767,735	53,906,351	2.72	2,239	6.90
2021	44,274,272	219,272	4,370,370	48,863,914	2.18	1,921	5.92
2022	39,575,000	196,736	6,508,007	46,279,743	1.87	1,829	4.67
2023	35,160,000	176,203	6,184,034	41,520,237	1.54	1,635	3.54

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

(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, 2023

<u>Government Unit</u>	Net Long-Term Debt Outstanding (1)	Percentage Applicable to City of Peekskill (1)	Amount Applicable to City of Peekskill (1)
County of Westchester	\$ 1,494,629,454	1.77%	\$ 26,501,266
School Districts (June 30, 2023)			
Peekskill School District	45,845,801	100%	45,845,801
Net Overlapping Debt			72,347,067
City Direct Debt			<u>41,520,237</u>
Net Direct and Overlapping Debt			<u><u>\$ 113,867,304</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

	2014	2015	2016	2017
Debt Limit	\$ 114,144,271	\$ 111,619,576	\$ 111,793,389	\$ 113,580,495
Total Net Debt Applicable to Limit	<u>59,355,700</u>	<u>55,015,951</u>	<u>51,274,025</u>	<u>62,955,000</u>
Legal Debt Margin	<u>\$ 54,788,571</u>	<u>\$ 56,603,625</u>	<u>\$ 60,519,364</u>	<u>\$ 50,625,495</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	52.00%	49.29%	45.86%	55.43%

Legal Debt Margin Calculation for Fiscal Year 2023

Fiscal Year	Assessment Roll		State Special Equalization Ratio	Full Valuation
	Budget Year	Assessed Valuation		
2022	2023	\$ 64,497,756	2.39 %	\$ 2,698,650,879
2021	2022	63,958,723	2.58	2,479,020,271
2020	2021	63,566,214	2.86	2,222,594,895
2019	2020	63,008,534	2.83	2,226,449,965
2018	2019	62,628,143	3.18	1,969,438,459
Total Five Year Full Valuation				<u>\$ 11,596,154,469</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 2,319,230,894</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>\$ 162,346,163</u>
Outstanding City Debt				
Serial Bonds				\$ 35,160,000
TAN Anticipation Notes				-
% of Debt Contracting Capacity - Full debt, no exclusions				<u>21.7%</u>
Excluded Debt				
Water - EFC for Water System Improvements				\$ 10,840,000
Sewer				-
Central Firehouse Debt				10,295,000
Net Indebtedness Subject to Debt Limit				<u>\$ 14,025,000</u>
				<u>8.6%</u>
Net Debt Contracting Margin				<u>\$ 148,321,163</u>
% of Debt Contracting Capacity, less exclusions				<u>91.4%</u>

2018	2019	2020	2021	2022	2023
\$ 118,403,613	\$ 118,780,776	\$ 124,348,030	\$ 132,641,986	\$ 132,641,986	\$ 162,346,163
<u>58,215,000</u>	<u>53,414,344</u>	<u>51,896,808</u>	<u>44,274,272</u>	<u>44,274,272</u>	<u>14,025,000</u>
<u><u>\$ 60,188,613</u></u>	<u><u>\$ 65,366,432</u></u>	<u><u>\$ 72,451,222</u></u>	<u><u>\$ 88,367,714</u></u>	<u><u>\$ 88,367,714</u></u>	<u><u>\$ 148,321,163</u></u>

49.17%

44.97%

41.74%

33.38%

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)
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
2023	25,401	41.2	1,173,805,611	46,211	86,695	86,695	4.0

Sources: (1) U.S. Bureau of Census (2020 Census); Censusreporter.org
 (2) New York State Department of Labor - unemployment rates not seasonally
 adjusted(dol.ny.gov/system/files/documents/2024/04/hudson-valley.pdf)

City of Peekskill, New York

Principal Employers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Employees	2023	
				Percentage of Total Employment
Peekskill School District	Education	560	6.91	%
White Plains Linen	Coat/Apron Supply Service	398	4.91	
Super Stop & Shop	Retail/Grocery	397	4.90	
Sun River Health (HRH Care)	Health	388	4.79	
BASF Corporation	Manufacturing	270	3.33	
Abbey Inn & Spa	Hospitality	175	2.16	
D. Bertoline & Sons	Beer/Ale Wholesale	85	1.05	
Wheelabrator	Manufacturing	67	0.83	
All County Transportation	Transportation	60	0.74	
C-Town Town Market	Retail/Grocery	50	0.62	
		2,450	30.25	%
<hr/>				
Taxpayer	Type of Business	Employees	2014	
				Percentage of Total Employment
Entergy Northeast	Indian Point Power Plant	950	12.50	%
Hudson Valley Hospital Center	Health Services	675	8.88	
White Plains Linen	Linen Rental	600	7.89	
Hudson River Health Care	Health Services	129	1.70	
BASF Corp	Manufacturer	110	1.45	
West Ledge Nursing Home	Health Services	90	1.18	
Wheelabrator Westchester LLP	Solid Waste Disposal	67	0.88	
C-Town Market	Retail/Grocery	40	0.53	
D. Bertoline & Sons, Inc	Food and Beverage	36	0.47	
Holiday Inn Express	Hospitality	35	0.46	
		2,732	35.95	%

Source: City of Peekskill Finance Department/Company websites, ny.gov/sites/default/files/atoms/files/Peekskill.pdf

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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,				
	2014	2015	2016	2017	2018
General Government	84	84	83	80	80
Public Safety	84	84	84	83	83
Transportation	12	12	12	12	13
Economic Opportunity and Development	7	7	7	7	7
Culture and Recreation	19	19	19	18	19
Home and Community Services	19	19	19	17	18
Central Garage	4	4	4	4	4
Total	229	229	228	221	224

Source: City of Peekskill Finance Department

2019	2020	2021	2022	2023
80	74	74	70	24
83	73	73	87	97
13	13	13	15	13
7	7	7	7	7
19	12	11	15	18
18	17	17	20	43
4	4	4	4	3
224	200	199	218	205

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City of Peekskill, New York

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL GOVERNMENT SUPPORT										
Basic STAR applications	3,090	3,080	2,934	2,766	2,353	2,326	2,081	1,968	1,767	1,647
Enhanced STAR applications	647	650	655	622	605	628	595	581	583	605
Vital statistic certificates issued	914	1,051	1,920	1,094	1,250	965	1,169	772	317	122
PUBLIC SAFETY										
Police										
Calls for service	25,494	27,650	29,236	32,416	34,394	39,523	40,750	39,828	37,182	36,279
Part I crimes	241	322	197	210	272	239	209	169	344	361
Physical arrests	1,499	1,345	1,531	1,313	1,257	1,171	712	702	999	1,334
Parking summonses issued	9,210	10,905	19,369	15,461	17,348	17,842	2,055	14,677	15,848	16,481
Traffic violations issued	4,220	4,542	4,587	4,666	4,121	4,479	11,787	2,013	3,508	3,293
Fire										
Calls for service	3,162	2,978	3,162	2,732	2,389	2,448	1,964	2,594	2,353	1,984
Transportation										
Street lights replaced	18	20	1,100	20	12	-	-	-	7	28
Street signs replaced	325	275	300	250	275	300	340	140	84	300
ECONOMIC OPPORTUNITY AND DEVELOPMENT										
Elderly nutrition meals served	36,914	37,667	37,294	37,671	38,682	42,834	45,001	30,000	36,000	29,000
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	1,189	1,707	1,764	1,990	2,115	1,883	-	3,261	2,089	1,802
Summer youth employment workers	131	134	147	134	145	170	22	85	60	132
HOME AND COMMUNITY SERVICES										
Tons of trash collected	7,657	7,289	7,851	8,113	7,761	8,539	8,563	8,777	8,457	8,840
Tons of material recycled	1,369	1,351	2,808	4,112	4,344	4,751	4,552	4,437	4,751	4,953
Tons of leaves/yard waste recycled	3,652	2,159	1,041	1,298	1,644	3,095	3,240	3,393	3,446	6,000
Storm water catch basins cleaned	325	345	300	275	475	346	402	19	19	
Building, plumbing and related permits issued	1,000	1,100	1,128	1,228	1,341	2,503	2,124	1,303	1,321	1,776
Building inspections conducted	2,196	3,945	3,678	2,907	3,125	9,612	9,750	5,700	8,850	9,250
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**

	2014	2015	2016	2017
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	110	110
Number of street lights	1,600	1,600	1,589	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	15
Parking permits issued	6,682	7,085	7,215	5,937

Sources: Various City departments

2018	2019	2020	2021	2022	2023
15	11	11	11	11	11
1	1	1	1	1	1
6	1	1	1	1	1
31	31	31	31	31	31
110	110	110	110	110	110
1,609	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
580	580	580	580	580	583
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
6,054	7,687	914	1,638	1,334	421

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 27, 2024.

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
August 27, 2024

**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, 2023. 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, 2023.

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.

Report on Internal Control Over Compliance

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

Our 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.

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

August 27, 2024

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City of Peekskill, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster 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	\$ _____ -	\$ 9,195,599
<u>U.S. Department of Labor</u>				
Indirect Program - Passed through				
Westchester-Putnam Workforce Development Board				
YouthBuild	17.274	n/a	-	87,169
<i>WIOA Cluster</i>				
WIOA Youth Activities	17.259	n/a	_____ -	69,636
Total U.S. Department of Labor			_____ -	156,805
<u>U.S. Department of Transportation</u>				
Indirect Program Passed through New York State				
Department of Transportation				
Highway Planning and Construction				
(Federal-Aid Highway Program)	20.205	DO35688	_____ -	65,192
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
Drug-Free Communities Support Program Grants	93.276	n/a	-	37,210
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	-	99,435
Title V Sexual Risk Avoidance -				
Education Program	93.787	n/a	_____ -	26,216
Total U.S. Department of Health and Human Services			_____ -	162,861
Total			\$ _____ -	\$ 9,580,457

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, 2023

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, 2023. 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, 2023

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 No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over major federal programs:

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

Yes No
 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)?

Yes No

Identification of major federal programs:

Assistance
Listing Number

Name of Federal Program or Cluster

14.871

Housing Voucher Cluster
Section 8 Housing Choice Voucher Program

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

City of Peekskill, New York

Schedule of Findings and Questioned Costs (Concluded)

Year Ended December 31, 2023

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

City of Peekskill, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023

Financial Statement Findings

None

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)

Status: This condition has been corrected.

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

Status: This condition has been corrected.