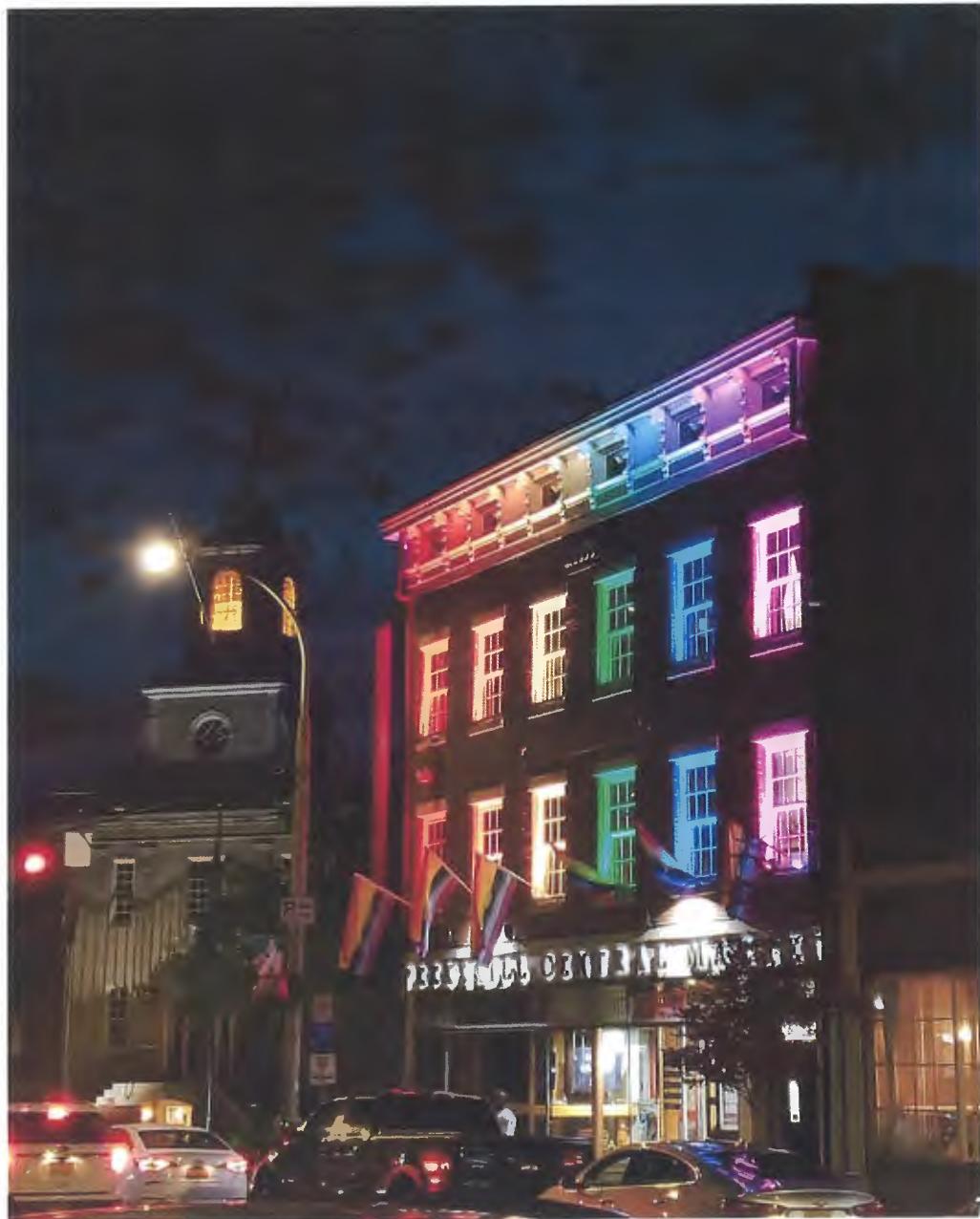


COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019

City of Peekskill, New York

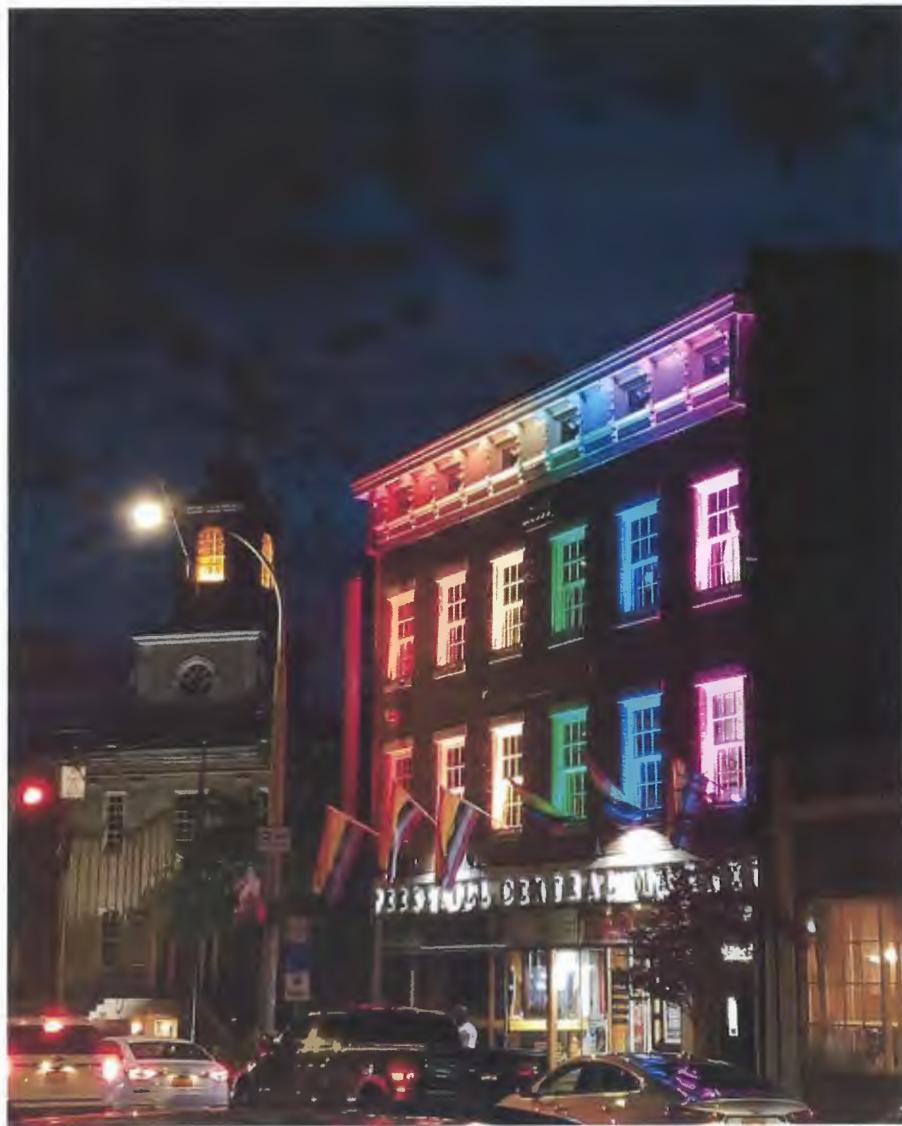
For the year ending December 31, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019

City of Peekskill, New York

For the year ending December 31, 2019



Prepared by
Ann Scaglione
City Comptroller

City of Peekskill, New York

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**INTRODUCTORY
SECTION**

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City of Peekskill List of City Officials

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Phone: (914) 734-4105

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Patricia Riley, Councilwoman
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Phone: (914) 734-4118

Pamela Beach, City Clerk
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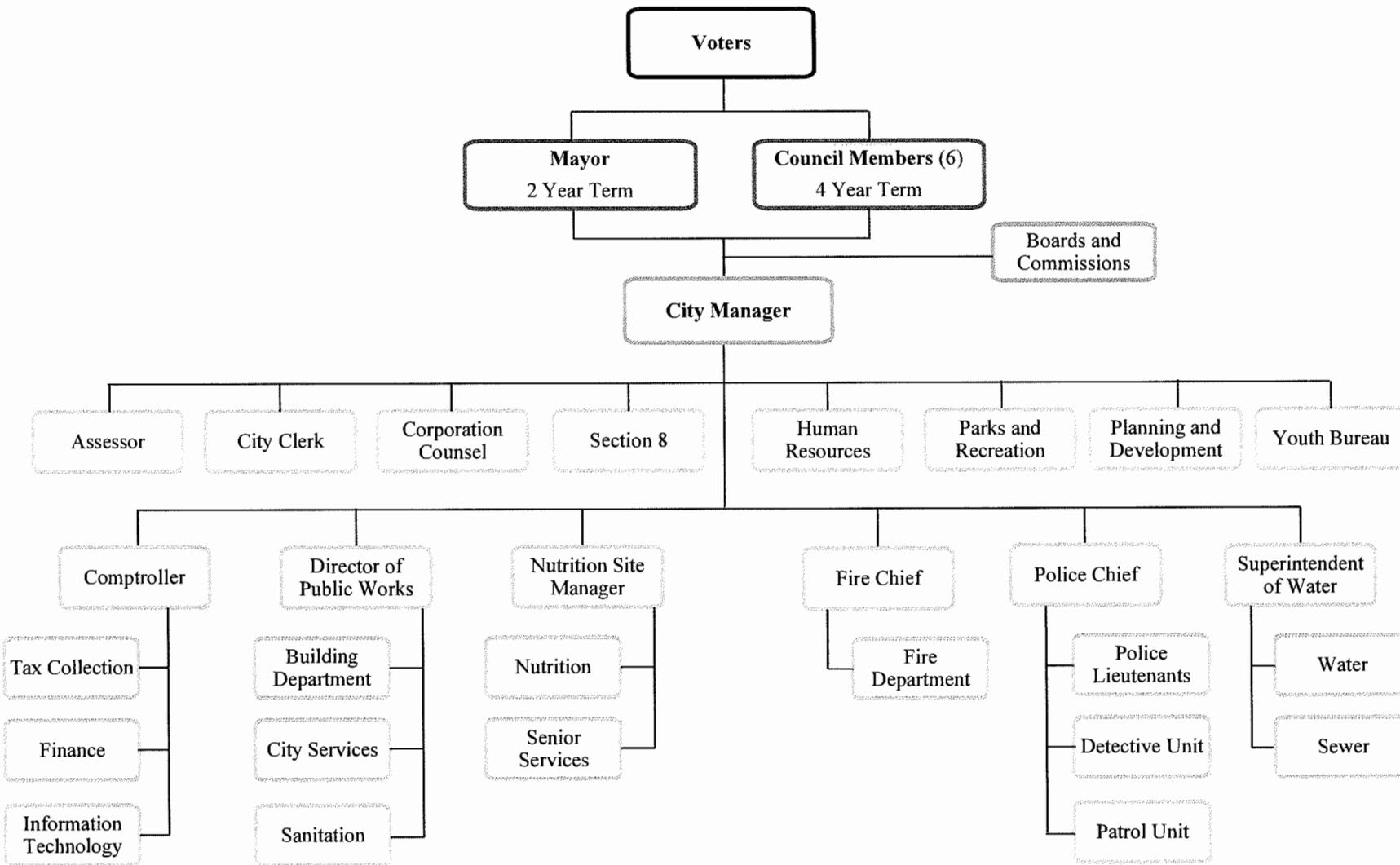
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City of Peekskill Organization Chart





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

Ann Scaglione, CPA

Comptroller

Jessie Boyd

Deputy Comptroller

June 8, 2020

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

The Comprehensive Annual Financial Report (“CAFR”) for the City of Peekskill, New York (“City”) for the fiscal year ended December 31, 2019 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 of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this comprehensive annual financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by PFK 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, 2019 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, 2019 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 35 miles north of New York City. The City encompasses a land area of 4.5 square miles and is essentially residential in nature. However, the City serves as a financial and commercial center for northern portions of the County as well as southern Putnam County.

The City has three miles of shoreline, a culturally diverse population, a vibrant downtown with exciting restaurants and entertainment, a thriving school system, extensive recreation and entertainment facilities, easy access to New York City and a full range of housing options, making Peekskill a great place to live, work, relax and enjoy life. Within its 4.5 square miles, over 106 miles of streets and roads, 52 miles of sanitary sewer lines, 59 storm drains, 31 traffic signals and 1,600 streetlights are maintained. The present city hall is a historic building, built in 1936. The City also has a police station, six fire stations, 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 24,008 and a per capita income of \$31,075, according to the United States Census Bureau. Based on the most recent sales data, the median sales price of homes in Peekskill is \$279,500, just above the state-wide average of \$269,349.

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 an ex-officio, non-voting member of the Common Council. The City Manager appoints all department heads, some subject to approval of the Common Council. Under the City's Charter, the City Manager is designated as the City budget officer responsible for preparing annual operating budgets and the City's capital program.

The City Comptroller, who is appointed by the City Manager, is the chief fiscal officer, has custody of all City funds and is responsible for the collection of taxes. Accounting records are maintained by the Comptroller's office and budgetary control is the joint responsibility of the City Manager and City Comptroller. Pursuant to the City Charter, and as provided in the Local Finance Law, the Comptroller coordinates the issuance of all City indebtedness.

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

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

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

The Peekskill Community Development Agency was established initially as an urban renewal agency in 1964. In 1976 the City assumed full responsibility of 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 the general supervision over the administration of the business and affairs of the LDC, and also 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.	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

The City continues to control costs and identify operational revenue in an effort to remain New York State tax cap compliant. Consistent with the experience of municipalities across New York State, the City remains challenged by 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 are in need of 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 so-called “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 in light of the specific environment in which the City operates.

Long-term Financial Planning

Dramatic changes have been taking place in Peekskill, with a focus on economic development, which represent significant public and private investments, including:

- In 2019, the City of Peekskill was awarded \$10 million from the New York State Downtown Revitalization Initiative for the Mid-Hudson Region. The goal of this statewide program is to develop and implement projects to integrate the community’s vision for downtown areas. This is an incredible honor for the City and will be the focus of projects for the next few years; focusing on enhancing Peekskill’s role as a regional destination for entertainment, dining and recreational.
- Fort Hill Residential Development, a \$65 million, 178 unit project is under construction, which includes renovating an historic building into a destination spa and hotel, 42 room inn and premier restaurant opened all rental buildings and the hotel is scheduled to open in 2020.
- \$55 million 10-story mixed use development is under construction with 181 market rate residential units and 5 retail stores.
- A new \$12.5 million facility with 53 affordable units with jitney service under construction at the eastern edge of downtown with Westchester County investing over \$2 million in infrastructure.
- 82 units of new subsidized workforce housing on the Central Avenue route with an investment of \$47 million including an infusion of Westchester County funds for the parking garage and infrastructure. Peekskill is requiring the developer to include an apprenticeship program for skilled career training.

- The City of Peekskill recently completed a \$2 million project, a new 0.75 mile section of its waterfront trail system extending southward from Charles Point Park to the Village of Buchanan line. The Charles Point Trail segment provides views of the Hudson River, Dunderberg Mountain, and the Bear Mountain Bridge; providing both residents and visitor increased recreational opportunities in Peekskill.
- The City of Peekskill completed three Community Development Block Grants (“CDBG”) in 2019 as follows:
 - \$750,000 CDBG project to rehabilitate the Hollowbrook Raw Water Pump Station; replacing three pumps and motors. This pump station transmits raw water to the Campfield Reservoir
 - \$750,000 CDBG project to rehabilitate Charles Point A and B Pump Stations; work completed to replace and repair this important sanitary sewer pump station
 - \$200,000 CDBG Microenterprise grant program which provided business support grant funding to expanding businesses owned by low-to-moderate income people.

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, 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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. This was the fourth consecutive year the City prepared a CAFR, and we were honored to receive this recognition both years from the GFOA.

In order to be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents must conform to GFOA standards. This report must satisfy both generally acceptable accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only. We believe that our current report continues to meet the certificates of achievement program's requirements and we are submitting this report to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,


Ann Scaglione

Ann Scaglione

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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2019, 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.

Emphasis of Matter

We draw attention to Note 2E in the notes to financial statements which disclose the effects of the City's adoption of the provisions of Governmental Accounting Standards Board Statement ("GASB") No. 84 "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

As discussed in Note 4,E in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter

Other Matters

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 the Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, 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 and Other Information

Our audit for the year ended December 31, 2019 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, 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* and the introductory and statistical sections for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2019.

We 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, 2018 (not presented herein) and have issued our report thereon dated May 13, 2019, 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, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 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 information is fairly stated in all material respects in the relation to the basic financial statements as a whole for the year ended December 31, 2018.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2020 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 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
June 8, 2020

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City of Peekskill, New York

Management's Discussion and Analysis **December 31, 2019**

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, 2019. 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 2019 are as follows:

- The City of Peekskill has a negative net position of \$87.82 million, an increase from a negative \$91.47 million at the end of 2018. The negative position is a due to a cumulative effect of change in accounting principle in reporting Post Employment Benefits other than Pensions ("OPEB"). Note 2-E has further detail of this this adjustment.
- Included in the government-wide financial statements are liabilities that represent estimates for post employment benefit obligations of \$189.67 million, net pension liabilities of \$10.5 million, future liability and workers compensation claims of \$2.3 million and landfill closure costs of \$1 million related to the former city dump. These amounts are required to be included in the government-wide statement of net position but are not treated as liabilities in the City's governmental fund financial statements. The unrestricted deficit at December 31, 2019 of \$154.27 million is primarily due to a 2019 cumulative adjustment of the OPEB change in accounting principle.
- The City's governmental fund financial statements reported a combined fund balance of \$24.84 million at December 31, 2019; as compared to \$23.62 million at December 31, 2018, with the increase noted in the General Fund Unassigned Fund Balance.
- The City's long-term debt, consisting of bonds and notes payable, for all government activities totaled \$53.15 million at December 31, 2019 and \$57.81 million at December 31, 2018. The decrease of \$4.66 million is the result of the principal payments due on debt.
- Included in the governmental fund balances at December 31, 2019 is an assigned portion of the Water Fund of \$2.74 million and the Sewer Fund of \$2.05 million. As a prudent measure these funds are relied on as a cushion to maintain a stable tax levy and for unexpected emergencies.

- At December 31, 2019 the City has earmarked 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 earmarks is \$1.14 million, 2.8% of total operating expenses. In addition, the City restricts all Transfer Tax revenue for the Debt Service of the Central Fire House, with a balance at the end of 2019 at \$4.4 million.
- The City's General Fund operating expenses are \$39.8 million for 2019 and \$39.6 million for 2018. Expenses for 2019 are \$1.5 million less than budgeted.
- The City's General Fund operating revenues are \$41.07 million for 2019 and \$40.34 million for 2018 exclusive of other financing sources. Revenue for 2019 exceeded budget by \$1.36 million.
- The City realized \$591,185 from sale of tax acquitted property in 2019. Sales Tax revenue realized was \$4.3 million, resulting in a \$515,000 favorable revenue variance in 2019. Transfer tax revenues continue to exceed budget, with a 2019 total of \$1.4 million.
- Real property taxes, payments in lieu of taxes and penalty and interest on taxes totaled \$23.8 million and \$23.3 for 2019 and 2018, respectively.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities exceeded assets by \$87.8 million at the close of the current fiscal year.

Net Position (in thousands)

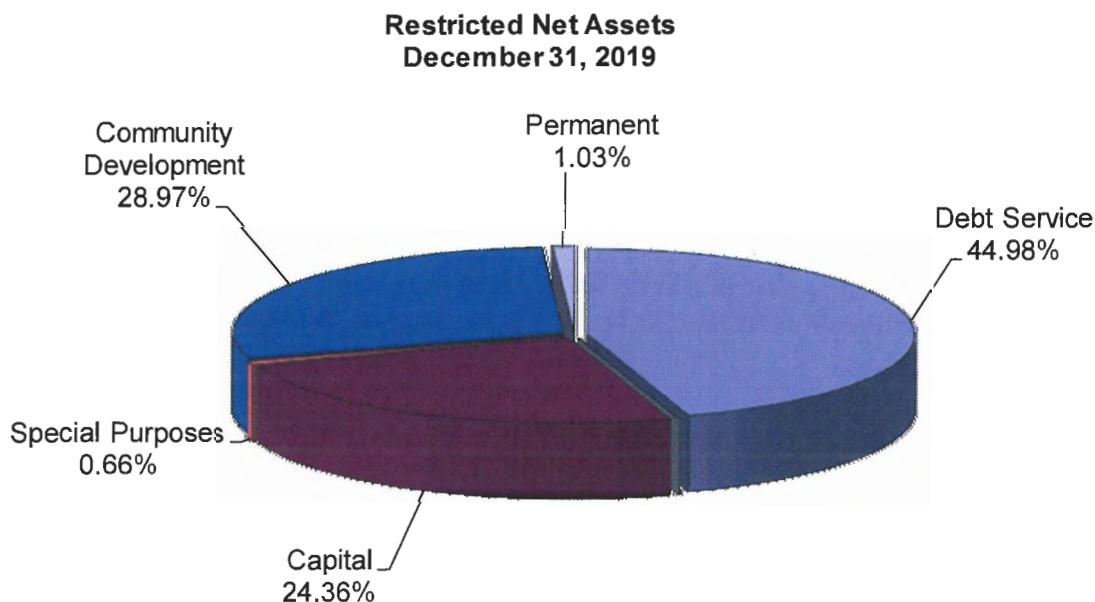
	December 31,	
	2019	2018
Current Assets	\$ 30,150	\$ 47,618
Capital Assets, net	109,955	106,265
Total Assets	140,105	153,883
Deferred Outflows of Resources	38,768	11,872
Current Liabilities	2,949	21,609
Long-term Liabilities	261,100	227,301
Total Liabilities	264,049	248,910
Deferred Inflows of Resources	2,652	8,319
NET POSITION		
Net Investment in		
Capital Assets	59,435	51,480
Restricted	9,870	12,590
Unrestricted	(157,133)	(155,544)
Total Net Position	\$ (87,828)	\$ (91,474)

One of the largest components of the City's net position reflects its investment in capital assets, net of related debt, amounting to \$59.4 million. The City uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be

noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be utilized to liquidate these liabilities.

Restricted net assets of \$9.87 million represent resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (in thousands):

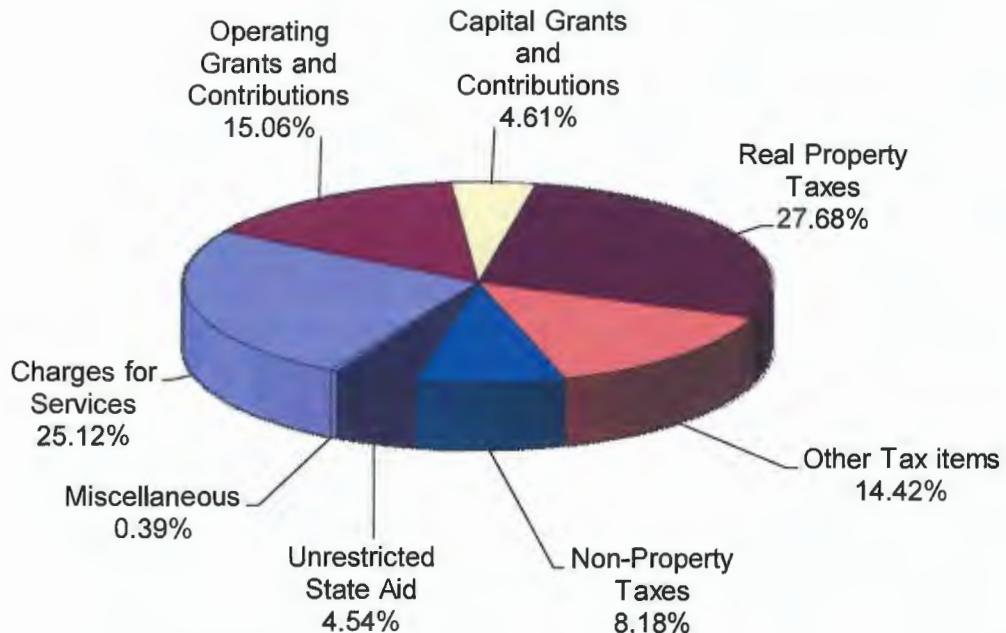
	December 31,	
	2019	2018
Debt Service	\$ 4,440	\$ 5,087
Special Revenue Fund		
Special Purposes	65	70
Community Development	2,859	2,930
Capital	2,404	4,401
Permanent	<u>102</u>	<u>102</u>
	<hr/> <u>\$ 9,870</u>	<hr/> <u>\$ 12,590</u>



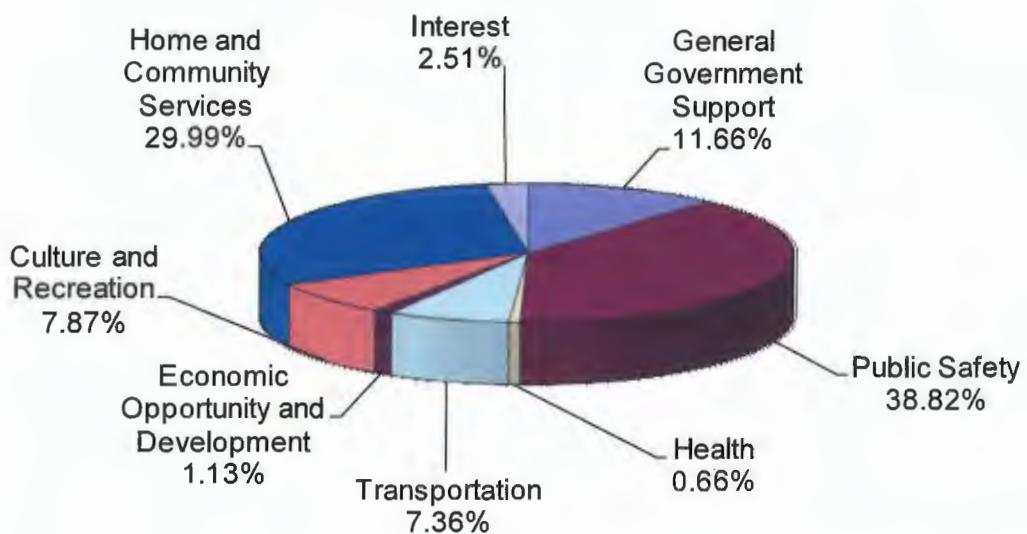
Changes in Net Position
(in thousands)

	December 31,	
	2019	2018
Program Revenues		
Charges for Services	\$ 15,496	\$ 16,151
Operating Grants and Contributions	9,288	7,669
Capital Grants and Contributions	2,844	1,761
General Revenues		
Real Property Taxes	17,076	16,800
Other Tax items	8,894	8,614
Non-Property Taxes	5,047	4,657
Unrestricted Use of Money and Property	83	29
Unrestricted State Aid	2,798	2,731
Sale of Property and Compensation for Loss	72	26
Insurance Recoveries	55	131
Miscellaneous	36	83
Total Revenues	61,689	58,652
Program Expenses		
General Government Support	6,766	6,489
Public Safety	22,530	21,921
Health	384	373
Transportation	4,273	4,398
Economic Opportunity and Development	654	621
Culture and Recreation	4,569	4,004
Home and Community Services	17,409	16,108
Interest	1,459	1,626
Total Expenses	58,044	55,540
Change in Net Position	3,645	3,112
NET POSITION		
Beginning, as reported	(91,473)	32,942
Prior Period Adjustment	-	508
Cumulative Effect of Change in Accounting Principle	-	(128,035)
Beginning, as restated	(91,473)	(94,585)
Ending	\$ (87,828)	\$ (91,473)

**Sources of Revenue for Fiscal Year 2019
Governmental Activities**



**Source of Expense for Fiscal Year 2019
Governmental Activities**



Governmental activities increased the City's net position by \$3.6 million in 2019. The total City governmental activities revenues in 2019 and 2018 were \$61.1 million and \$58.65 million, respectively. Real property taxes provided 28% of total revenues in 2019. Charges for services, operating grants and contributions, and capital grants and contributions provided

44.29% in 2019 and 43.61% in 2018. State aid provided 3.69% and 4.66% of total revenues for the fiscal year ended December 31, 2019 and 2018, respectively.

Governmental activities expenses of the City for the year totaled \$57.96 million in 2019 and \$55.54 million in 2018. Public Safety expenses accounted for the largest portion (\$21.14 million or 38.51% in 2019 and \$21.92 million or 39.5% in 2018), followed by Home and Community Services (\$17.41 million or 30.3% in 2019 and \$16.12 million or 29% in 2018) 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.

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the City's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

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

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

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

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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 \$24.84 million, an increase of \$1.2 million due to increased revenue and a controlling of operational expenses.

The revenue categories that reflected positive variances as compared to the budget were: Other Tax Items (\$984,154) primarily due to the real estate activity and resulting Transfer Tax requirement and Gain on Sale of Property Acquired (\$191,185); Non-Property Taxes (\$486,559) due to increase in Sales Tax revenue; Use of money and property (\$92,794) due to increase in interest earning rates, and State Aid (\$136,367) due to increase in Mortgage Tax collected. The revenue categories that reflected a negative variance as compared to the budget were Fines and Forfeitures (\$95,777) and Federal Aid (\$340,406).

The expense categories that reflected positive variances as compared to the budget were: Public Safety (\$518,573), Culture and Recreation (\$518,186), Transportation Economic (\$168,902) and Employee Benefits (\$340,795).

Water Fund

The City owns two reservoir's 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 2019 and 2018 were \$7.3 million and \$6.8 million respectively. Water rates are reviewed on an annual basis and compared to area averages.

Fund expenses form 2019 were \$7.03 million, increased from 2018 of \$6.48 primarily due to increase staff and materials. In 2017 the City started implementing a city wide advanced metering system, which included replacing over half of the water meters and installing electric monitors on all meters.

At December 31, 2019, the Assigned Fund Balance of the Water Fund was \$2.4 million, increased from the 2018 balance of \$2.24 million.

Section 8 Housing Fund

Assigned Fund Balance

Section 8 actual units in which administrative fees were earned amounted to 592 units (559 units throughout City and 33 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 up to the number of vouchers authorized under the program.

Administrative fees in excess of administrative expenses in calendar year 2019 are also 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. For calendar year 2018, these funds must be used for activities related to the provision of tenant-based rental assistance authorized under Section 8 of the United States Housing Act of 1937, including related development activities.

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.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of December 31, 2019 and 2018 amounted to \$109.96 million and \$106.27 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 \$3.7 million.

Capital Assets, Net of Accumulated Depreciation (In thousands)

	December 31,	
	2019	2018
Capital Assets not being depreciated		
Land	\$ 11,202	\$ 11,202
Construction-in-Progress	7,215	42,756
Capital Assets being depreciated		
Land Improvements	18,753	4,683
Buildings and improvements	66,672	41,688
Machinery and Equipment	3,105	2,740
Infrastructure	3,008	3,196
Total	\$ 109,955	\$ 106,265

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

Long-Term Debt

At the end of the current fiscal year, the City had total bond and note payable debt outstanding of \$53.15 million. All of this debt is backed by the full faith and credit of the City.

Outstanding General Obligation Serial Bonds
(In thousands)

Fund	2019	2018
General	\$ 30,412	\$ 32,960
Water	22,235	24,220
Sewer	503	625
Total	\$ 53,150	\$ 57,805

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. At December 31, 2019, the City of Peekskill had used \$22.17 million or 37.5% of the constitutional debt limit leaving 62.5% remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3,G 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:

Ann Scaglione, Comptroller
 City of Peekskill
 840 Main Street
 Peekskill, New York 10566
 Or e-mail ascaglione@cityofpeekskill.com

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**BASIC FINANCIAL
STATEMENTS**

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City of Peekskill, New York

Statement of Net Position
December 31, 2019

	Primary Government	Component Unit
	Governmental Activities	City of Peekskill Industrial Development Agency
ASSETS		
Cash and equivalents	\$ 16,321,551	\$ 1,083,174
Investments	3,211,283	-
Receivables		
Taxes	1,698,832	-
Accounts	1,596,285	-
Water rents	1,940,940	-
Sewer rents	410,341	-
State and Federal aid	1,306,317	-
Due from other governments	743,113	-
Due frm custodial fund	455,172	-
Loans	924,363	-
Prepaid expenses	1,304,212	-
Inventories	237,088	-
Capital assets		
Not being depreciated	18,417,317	-
Being depreciated, net	91,538,171	308,750
	<hr/>	<hr/>
Total Assets	140,104,985	1,391,924
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	38,768,156	-
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	895,268	-
Accrued liabilities	338,990	-
Retainages payable	126,481	-
Deposits payable	871,350	-
Employee payroll tax deductions	308,793	-
Unearned revenues	142,460	-
Accrued interest payable	265,847	-
Non-current liabilities		
Due within one year	5,398,556	-
Due in more than one year	255,702,007	-
	<hr/>	<hr/>
Total Liabilities	264,049,752	-
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES	2,651,968	-
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	59,435,215	308,750
Restricted for		
Capital projects	2,403,885	-
Community development	2,858,780	-
Debt service	4,440,009	-
Special Purpose	64,596	-
Permanent Fund	2,270	-
Permanent Fund - Nonexpendable	100,000	-
Unrestricted	(157,133,334)	1,083,174
	<hr/>	<hr/>
Total Net Position	\$ (87,828,579)	\$ 1,391,924
	<hr/>	<hr/>

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, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government support	\$ 6,766,349	\$ 2,431,620	\$ 6,900	\$ -
Public safety	22,530,130	1,368,075	571,878	-
Health	383,494	116,990	325,120	-
Transportation	4,273,190	1,229,661	-	705,575
Economic opportunity and development	654,484	124,246	126,864	-
Culture and recreation	4,568,707	620,311	139,579	1,217,138
Home and community services	17,409,147	9,604,945	8,117,762	899,250
Interest	1,458,583	-	-	22,482
Total Governmental Activities - Primary Government	\$ 58,044,084	\$ 15,495,848	\$ 9,288,103	\$ 2,844,445
Component Unit -				
City of Peekskill				
Industrial Development Agency	\$ 51,608	\$ 30,000	\$ -	\$ -
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Gain on sale of tax acquired property				
Payments in lieu of taxes				
Real estate transfer tax				
Non-property taxes				
Non-property tax distribution from County				
Utilities gross receipts taxes				
Hotel tax				
Cable television franchise fees				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Miscellaneous				
Insurance recoveries				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning				
Ending				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government	Component Unit	
Governmental Activities	City of Peekskill Industrial Development Agency	
\$ (4,327,829)	\$ -	
(20,590,177)	-	
58,616	-	
(2,337,954)	-	
(403,374)	-	
(2,591,679)	-	
1,212,810	-	
(1,436,101)	-	
<u>(30,415,688)</u>	<u>-</u>	
<u>-</u>	<u>(21,608)</u>	
17,076,412	-	
424,781	-	
591,185	-	
6,446,712	-	
1,431,376	-	
4,315,012	-	
295,020	-	
150,876	-	
285,651	-	
82,982	7,042	
72,229	-	
2,798,015	-	
36,042	-	
54,865	-	
<u>34,061,158</u>	<u>7,042</u>	
3,645,470	(14,566)	
<u>(91,474,049)</u>	<u>1,406,490</u>	
<u>\$ (87,828,579)</u>	<u>\$ 1,391,924</u>	

City of Peekskill, New York

Balance Sheet
 Governmental Funds
 December 31, 2019

	General	Capital Projects	Water
ASSETS			
Cash and equivalents	\$ 9,463,120	\$ 1,451,527	\$ 586,139
Investments	3,211,283	-	-
Taxes receivable	1,698,832	-	-
Other receivables			
Accounts	420,008	-	176,277
Water rents	-	-	1,940,940
Sewer rents	-	-	-
State and Federal aid	1,306,317	-	-
Due from other governments	743,113	-	-
Loans	-	-	-
Due from other funds	1,797,201	-	-
Due from custodial fund	455,172	-	-
	4,721,811	-	2,117,217
Prepaid expenditures	1,152,834	-	98,911
Inventories	-	-	237,088
Total Assets	\$ 20,247,880	\$ 1,451,527	\$ 3,039,355
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 658,077	\$ -	\$ 235,478
Accrued liabilities	277,551	-	61,439
Retainages payable	-	126,481	-
Due to other funds	-	1,597,990	902
Deposits payable	871,350	-	-
Employee payroll tax deductions	308,793	-	-
Unearned revenues	142,460	-	-
Total Liabilities	2,258,231	1,724,471	297,819
Deferred inflows of resources			
Deferred tax revenues	706,630	-	-
Total Liabilities and Deferred Inflows of Resources	2,964,861	1,724,471	297,819
Fund balances (deficits)			
Nonspendable	1,358,529	-	335,999
Restricted	8,376,139	-	-
Committed	873,975	-	-
Assigned	1,871,935	-	2,405,537
Unassigned	4,802,441	(272,944)	-
Total Fund Balances (Deficits)	17,283,019	(272,944)	2,741,536
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,247,880	\$ 1,451,527	\$ 3,039,355

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
\$ 90,826	\$ 1,934,417	\$ 2,795,522	\$ 16,321,551
-	-	-	3,211,283
-	-	-	1,698,832
-	-	-	596,285
-	-	-	1,940,940
-	-	410,341	410,341
-	-	-	1,306,317
-	-	-	743,113
-	924,363	-	924,363
-	-	1,648	1,798,849
-	-	-	455,172
-	924,363	411,989	8,175,380
-	-	52,467	1,304,212
-	-	-	237,088
\$ 90,826	\$ 2,858,780	\$ 3,259,978	\$ 30,948,346

\$ 1,685	\$ -	\$ 28	\$ 895,268
-	-	-	338,990
-	-	-	126,481
-	-	199,957	1,798,849
-	-	-	871,350
-	-	-	308,793
-	924,363	-	1,066,823
1,685	924,363	199,985	5,406,554
-	-	-	706,630
1,685	924,363	199,985	6,113,184
-	-	152,467	1,846,995
89,141	1,934,417	66,866	10,466,563
-	-	838,356	1,712,331
-	-	2,002,304	6,279,776
-	-	-	4,529,497
89,141	1,934,417	3,059,993	24,835,162
\$ 90,826	\$ 2,858,780	\$ 3,259,978	\$ 30,948,346

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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, 2019

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

Fund Balances - Total Governmental Funds	\$ 24,835,162
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	109,955,488
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Accounts receivable	1,000,000
Real property taxes	706,630
Loans	924,363
	2,630,993
Governmental funds do not report the effect of losses on refunding bonds, assets or liabilities related to net pension assets (liabilities) and other post employment benefits obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension assets (liabilities)	
New York State and Local Police and Fire Retirement System	2,667,313
New York State Local Employees' Retirement System	1,458,102
Length of Service Awards Program - Fire	63,368
Length of Service Awards program - Ambulance	(92,769)
Other post employment benefit obligations payable	30,772,461
	34,868,475
Deferred amounts on refunding bonds	1,247,713
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(265,847)
Bonds payable	(53,414,344)
Notes payable	(238,642)
Retirement incentives and other pension obligations	(2,212,049)
Compensated absences	(1,756,716)
Net pension liability	(6,285,189)
Total pension liability	(4,217,887)
Landfill closure costs	(1,000,000)
Claims payable	(2,307,139)
Other post employment benefit obligations payable	(189,668,597)
	(261,366,410)
Net Position of Governmental Activities	\$ (87,828,579)

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, 2019

	General	Capital Projects	Water	Section 8 Housing
REVENUES				
Real property taxes	\$ 16,946,996	\$ -	\$ -	\$ -
Other tax items	8,894,054	-	-	-
Non-property taxes	5,046,559	-	-	-
Departmental income	4,478,094	-	7,309,063	-
Charges for services	234,651	-	-	-
Use of money and property	820,927	-	-	4
Licenses and permits	477,738	-	-	-
Fines and forfeitures	974,223	-	-	-
Sale of property and compensation for loss	72,229	-	176,277	-
State aid	2,903,367	1,847,613	-	-
Federal aid	426,201	811,828	-	7,854,938
Miscellaneous	213,372	162,522	23,457	35,955
Total Revenues	41,488,411	2,821,963	7,508,797	7,890,897
EXPENDITURES				
Current				
General government support	4,380,526	-	-	-
Public safety	12,774,010	-	-	-
Health	266,499	-	-	-
Transportation	2,552,059	-	-	-
Economic opportunity and development	573,087	-	-	-
Culture and recreation	2,712,973	-	-	-
Home and community services	2,546,963	-	4,513,495	7,671,096
Employee benefits	10,586,830	-	-	-
Debt service				
Principal	2,699,383	-	1,985,000	-
Interest	828,787	-	535,300	-
Capital outlay	-	4,884,938	-	-
Total Expenditures	39,921,117	4,884,938	7,033,795	7,671,096
Excess (Deficiency) of Revenues Over Expenditures	1,567,294	(2,062,975)	475,002	219,801
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	54,865	-	-	-
Notes issued	-	78,945	-	-
Transfers in	757,895	1,991,162	-	-
Transfers out	(1,410,000)	-	(255,000)	-
Total Other Financing Sources (Uses)	(597,240)	2,070,107	(255,000)	-
Net Change in Fund Balances	970,054	7,132	220,002	219,801
FUND BALANCES (DEFICITS)				
Beginning of Year	16,312,965	(280,076)	2,521,534	(130,660)
End of Year	\$ 17,283,019	\$ (272,944)	\$ 2,741,536	\$ 89,141

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

Community Development	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 16,946,996
-	-	8,894,054
-	-	5,046,559
-	1,577,657	13,364,814
-	-	234,651
27,031	22,583	870,545
-	-	477,738
-	-	974,223
-	-	248,506
-	-	4,750,980
156,148	-	9,249,115
23,093	40,724	499,123
<u>206,272</u>	<u>1,640,964</u>	<u>61,557,304</u>
-	-	4,380,526
-	-	12,774,010
-	-	266,499
-	-	2,552,059
-	-	573,087
-	46,450	2,759,423
-	779,842	15,511,396
-	-	10,586,830
-	125,800	4,810,183
-	13,608	1,377,695
-	-	<u>4,884,938</u>
<u>-</u>	<u>965,700</u>	<u>60,476,646</u>
<u>206,272</u>	<u>675,264</u>	<u>1,080,658</u>
-	-	54,865
-	-	78,945
-	-	2,749,057
(98,000)	(986,057)	(2,749,057)
<u>(98,000)</u>	<u>(986,057)</u>	<u>133,810</u>
108,272	(310,793)	1,214,468
<u>1,826,145</u>	<u>3,370,786</u>	<u>23,620,694</u>
<u>\$ 1,934,417</u>	<u>\$ 3,059,993</u>	<u>\$ 24,835,162</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, 2019

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

Net Change in Fund Balances - Total Governmental Funds	\$ <u>1,214,468</u>
--	---------------------

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	4,902,409
Depreciation expense	<u>(1,212,439)</u>
	<u>3,689,970</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	129,416
Departmental income	<u>(179,141)</u>
	<u>(49,725)</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	(78,945)
Principal paid on bonds	4,655,000
Principal paid on notes	155,183
Amortization of premium and loss on refunding	<u>(106,417)</u>
	<u>4,624,821</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	25,529
Retirement incentives and other pension obligations	353,381
Compensated absences	(102,212)
Pension liabilities	(857,134)
Claims	116,641
Other post employment benefit obligations	<u>(5,370,269)</u>
	<u>(5,834,064)</u>

Change in Net Position of Governmental Activities	\$ <u>3,645,470</u>
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The notes to the financial statements are an integral part of this statement.

City of Peekskill, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended December 31, 2019

General Fund					
	Original Budget	Final Budget	Actual	Variance with Final Budget	
				Positive (Negative)	
REVENUES					
Real property taxes	\$ 16,990,000	\$ 16,990,000	\$ 16,946,996	\$ (43,004)	
Other tax items	7,909,900	7,909,900	8,894,054	984,154	
Non-property taxes	4,560,000	4,560,000	5,046,559	486,559	
Departmental income	4,298,850	4,397,686	4,478,094	80,408	
Charges for services	230,000	230,000	234,651	4,651	
Use of money and property	307,500	307,500	820,927	513,427	
Licenses and permits	481,000	481,000	477,738	(3,262)	
Fines and forfeitures	1,070,000	1,070,000	974,223	(95,777)	
Sale of property and compensation for loss	30,000	30,000	72,229	42,229	
State aid	2,767,000	2,767,000	2,903,367	136,367	
Federal aid	212,750	766,607	426,201	(340,406)	
Miscellaneous	194,000	194,000	213,372	19,372	
Total Revenues	39,051,000	39,703,693	41,488,411	1,784,718	
EXPENDITURES					
Current					
General government support	4,648,659	4,156,415	4,380,526	(224,111)	
Public safety	13,558,024	13,229,550	12,774,010	455,540	
Health	367,000	230,710	266,499	(35,789)	
Transportation	2,419,685	2,720,961	2,552,059	168,902	
Economic opportunity and development	525,587	648,515	573,087	75,428	
Culture and recreation	2,437,131	3,231,159	2,712,973	518,186	
Home and community services	2,425,942	2,660,512	2,546,963	113,549	
Employee benefits	10,936,227	10,927,625	10,586,830	340,795	
Debt service					
Principal	2,780,244	2,780,244	2,699,383	80,861	
Interest	839,205	839,205	828,787	10,418	
Total Expenditures	40,937,704	41,424,896	39,921,117	1,503,779	
Excess (Deficiency) of Revenues Over Expenditures	(1,886,704)	(1,721,203)	1,567,294	3,288,497	
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	50,000	50,000	54,865	4,865	
Transfers in	928,000	978,840	757,895	(220,945)	
Transfers out	(710,000)	(910,000)	(1,410,000)	(500,000)	
Total Other Financing Sources (Uses)	268,000	118,840	(597,240)	(716,080)	
Net Change in Fund Balances	(1,618,704)	(1,602,363)	970,054	2,572,417	
FUND BALANCES					
Beginning of Year	1,618,704	1,602,363	16,312,965	14,710,602	
End of Year	\$ -	\$ -	\$ 17,283,019	\$ 17,283,019	

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

Water Fund				
Original Budget	Final Budget	Actual	Variance with Final Budget	
			Positive	(Negative)
\$	\$	\$	\$	\$
-	-	-	-	-
-	-	-	-	-
7,170,000	7,170,000	7,309,063	139,063	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	176,277	176,277	
-	-	-	-	-
15,000	15,000	23,457	8,457	
<u>7,185,000</u>	<u>7,185,000</u>	<u>7,508,797</u>	<u>323,797</u>	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,245,472	4,515,269	4,513,495	1,774	
-	-	-	-	-
1,985,000	1,985,000	1,985,000	-	
<u>699,528</u>	<u>542,552</u>	<u>535,300</u>	<u>7,252</u>	
<u>6,930,000</u>	<u>7,042,821</u>	<u>7,033,795</u>	<u>9,026</u>	
<u>255,000</u>	<u>142,179</u>	<u>475,002</u>	<u>332,823</u>	
-	-	-	-	-
(255,000)	(255,000)	(255,000)	-	
<u>(255,000)</u>	<u>(255,000)</u>	<u>(255,000)</u>	<u>-</u>	
-	(112,821)	220,002	332,823	
-	112,821	2,521,534	2,408,713	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,741,536</u>	<u>\$ 2,741,536</u>	

City of Peekskill, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2019

	Custodial Fund
ASSETS	
Real property taxes receivable for other governments	<u>\$ 17,537,155</u>
LIABILITIES	
Due to other governments	17,081,983
Due to other funds	<u>455,172</u>
Total Liabilities	<u>\$ 17,537,155</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
December 31, 2019

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 54,171,656
DEDUCTIONS	
Payments of real property taxes to other governments	<u>54,171,656</u>
Net Increase 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, 2019

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 accounting policies of the City conform to generally accepted accounting principles as applicable 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 following is a summary of the City's more significant accounting policies:

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, 2019

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.

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 fund is to be presented in a separate column, with non-major funds, if any, aggregated and

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Village 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.

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 as soon as 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. 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 incentives and other pension obligations, compensated absences, net pension liability, certain claims, landfill closure costs and other post-employment benefits obligations are recorded only

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 - 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 Measurements 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, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Length of Service Awards Program Investments

Fire Service Awards Program - The program policy allows investments in the following: (1) fixed income mutual funds; (2) international equities; (3) United States government obligations; and (4) mixed assets. These investments are measured using level 1 inputs.

Ambulance Service Awards Program - The program policy allows investments in the following: (1) United States Treasuries; (2) common stock; and (3) mutual funds, these investments are measured using level 1 inputs. The investments in corporate bonds are measured using level 2 inputs.

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, 2019.

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Due From/To Other Funds and Due From/To Custodial Fund - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2019, 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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).

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

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

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$142,460 for parking permits and grants received in advance in the General Fund and \$924,363 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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Police and Fire Retirement System	\$ 4,010,574	\$ 1,343,261
New York State and Local Employees' Retirement System	2,274,611	816,509
Length of Service Awards Program - Fire	352,976	289,608
Length of Service Awards Program - Ambulance	109,821	202,590
Deferred loss on bond refunding	1,247,713	-
Other post employment benefits	<u>30,772,461</u>	<u>-</u>
	<u>\$ 38,768,156</u>	<u>\$ 2,651,968</u>

The City reported deferred outflows of resources of \$1,247,713 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 \$706,630 for real property taxes in the General Fund. This 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 and other post employment benefit obligations. These amounts are detailed in the discussion of the City's pension plans in Note 3G.

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 recorded as expenses/expenditures 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Pension Liability - 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."*

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 represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its 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. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital, debt service, Special Purpose, Community Development and the Permanent Fund. The balance is classified as unrestricted.

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

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

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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 amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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 June 8, 2020.

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, Sewer and Debt Service funds.
- g) Budgets for General, Water, Sewer and Debt Service 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.
- 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, Sewer and Debt Service 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, 2019

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 2019, the maximum amount which could have been raised was \$33,937,364, which exceeded the levy by \$16,947,364.

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. 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	
Central data processing	\$ 101,085
Unallocated insurance	124,994
Health	
Ambulance	62,365
Employee Benefits	
State Retirement	50,401
Other Financing Uses	
Transfer out - Capital projects fund	500,000

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Capital Projects Fund Deficits

Deficits arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipts or issuance of authorized financing.

The following capital projects exceeded their budgetary authorizations by the amounts indicated:

Street Paving	\$ 265,400
Water Meter Upgrade	76,400
Neighborhood Center Roof	6,606
Central Firehouse	1,574,512
Purchase Lower South Street	1,970
Hollowbrook Pump Station	15,993
LWRP Update Blue Plan	2,383
Feasibility Study - White Plains Linen Complex	103,500
Peekskill Multi Use Trail	495,416
Oakwood Drive Reconstruction	35,259
Louisa Street CDBG	82,524
Vehicle Charging Stations	12,175
1847 Crompound Road	4,691

E. Adoption of Accounting Standard

For the year ended December 31, 2019, the City implemented the provisions of GASB Statement No. 84, *"Fiduciary Activities"*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

F. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds

A. Property Taxes Receivable

Taxes receivable at December 31, 2019 consisted of the following:

City Taxes	\$ 507,793
County Taxes	174,410
School Districts Taxes	713,631
Installment agreements	302,998
	<hr/>
	\$ 1,698,832

Taxes in the fund financial statements are also partially offset by deferred tax revenues of \$706,630, which is an estimate of the taxes that will not be collected within the first sixty days of the subsequent year

B. Loans Receivable

Loans receivable of \$924,363 reported in the Community Development Fund as of December 31, 2019 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.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2019 were as follows:

Fund	Due From	Due To
General	\$ 1,797,201	\$ -
Capital Projects	-	1,597,990
Water	-	902
Non-Major Governmental	1,648	199,957
	<hr/>	<hr/>
	\$ 1,798,849	\$ 1,798,849

The balances reflected as due from/to fiduciary fund at December 31, 2019 were as follows:

Fund	Due From	Due To
General	\$ 455,172	\$ -
Fiduciary	-	455,172
	<hr/>	<hr/>
	\$ 455,172	\$ 455,172

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

Class	Balance at January 1, 2019	Additions	Deletions	Balance December 31, 2019
Capital Assets, not being depreciated:				
Land	\$ 11,201,915	\$ -	\$ -	\$ 11,201,915
Construction-in-progress	42,756,351	4,134,520	39,675,469	7,215,402
Total Capital Assets, Not Being Depreciated	<u>\$ 53,958,266</u>	<u>\$ 4,134,520</u>	<u>\$ 39,675,469</u>	<u>\$ 18,417,317</u>
Capital Assets, being depreciated:				
Land improvements	\$ 11,253,091	\$ 14,487,773	\$ -	\$ 25,740,864
Buildings and improvements	47,583,668	25,187,697	-	72,771,365
Machinery and equipment	10,762,175	767,888	235,201	11,294,862
Infrastructure	16,378,204	-	-	16,378,204
Total Capital Assets, Being Depreciated	<u>85,977,138</u>	<u>40,443,358</u>	<u>235,201</u>	<u>126,185,295</u>
Less Accumulated Depreciation for:				
Land improvements	6,570,352	417,084	-	6,987,436
Buildings and improvements	5,895,574	203,640	-	6,099,214
Machinery and equipment	8,021,952	402,929	235,201	8,189,680
Infrastructure	13,182,008	188,786	-	13,370,794
Total Accumulated Depreciation	<u>33,669,886</u>	<u>1,212,439</u>	<u>235,201</u>	<u>34,647,124</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 52,307,252</u>	<u>\$ 39,230,919</u>	<u>\$ -</u>	<u>\$ 91,538,171</u>
Capital Assets, Net	<u>\$ 106,265,518</u>	<u>\$ 43,365,439</u>	<u>\$ 39,675,469</u>	<u>\$ 109,955,488</u>

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

General Government Support	\$ 171,028
Public Safety	213,620
Transportation	486,519
Culture and Recreation	273,915
Home and Community Services	<u>67,357</u>
 Total Depreciation Expense	 <u>\$ 1,212,439</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

E. Accrued Liabilities

Accrued liabilities at December 31, 2019 were as follows:

	General Fund	Water Fund	Total
Payroll and Employee Benefits	\$ 237,256	\$ 61,439	\$ 298,695
Other	40,295	-	40,295
	\$ 277,551	\$ 61,439	\$ 338,990

F. 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, 2019	Redemptions	Balance December 31, 2019
Capital Projects Fund - Various Capital Projects	2015	09/20/19	- %	\$ 410,000	\$ 410,000	\$ -

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

Interest expenditures of \$9,512 were recorded in the fund financial statements in the General Fund. Interest expense of \$6,817 was recorded in the government-wide financial statements for governmental activities.

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended December 31, 2019:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
General Obligation Bonds Payable					
Bonds Payable					
Capital construction	\$ 55,150,000	\$ -	\$ 3,885,000	\$ 51,265,000	\$ 3,945,000
Other	2,655,000	-	770,000	1,885,000	550,000
	57,805,000	-	4,655,000	53,150,000	4,495,000
Plus					
Unamortized premium on bonds	286,880	-	22,536	264,344	-
	58,091,880	-	4,677,536	53,414,344	4,495,000
Notes Payable	314,880	78,945	155,183	238,642	131,238
Other Non-Current Liabilities					
Retirement Incentives and					
Other Pension Obligations	2,565,430	-	353,381	2,212,049	365,318
Compensated Absences	1,654,504	195,399	93,187	1,756,716	176,000
Total Pension Liability - Length of service awards program	4,340,071	3,120	125,304	4,217,887	-
Net Pension Liability	3,385,392	2,899,797	-	6,285,189	-
Landfill Closure Costs	1,000,000	-	-	1,000,000	-
Claims Payable	2,423,780	256,308	372,949	2,307,139	231,000
Other Post Employment Benefit Obligations Payable	153,525,867	39,826,843	3,684,113	189,668,597	-
Total Other Non- Current Liabilities	168,895,044	43,181,467	4,628,934	207,447,577	772,318
Total Long-Term Liabilities	\$ 227,301,804	\$ 43,260,412	\$ 9,461,653	\$ 261,100,563	\$ 5,398,556

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

General Obligation Bonds Payable

General Obligation Bonds payable at December 31, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2019
Tax Certiorari	2011	\$ 1,870,000	December, 2021	2.000 %	\$ 405,000
Other Purpose	2013	1,820,700	June, 2024	2.250-3.250	950,000
Public Improvements	2013	8,465,000	June, 2033	2.000-3.000	6,545,000
Tax Certiorari	2013	1,428,000	June, 2022	2.000	530,000
Public Improvements					
Refunding Bonds	2014	3,270,000	May, 2023	2.000-2.750	1,525,000
NYS Environmental Facilities					
Corporation - Refunding Bonds	2015	16,390,000	October, 2028	4.599-4.805	11,325,000
NYS Environmental Facilities					
Corporation - Refunding Bonds	2015	9,735,000	March, 2028	4.390-4.754	7,090,000
Public Improvements	2017	14,610,000	September, 2037	2.125-3.000	13,200,000
Public Improvements					
Refunding Bonds	2017	12,810,000	December, 2040	2.250-3.000	11,580,000
					\$ 53,150,000

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$809,473, \$535,300 and \$13,608 were recorded in the fund financial statements in the General, Water and Sewer funds, respectively. Interest expense of \$1,441,964 was recorded in the government-wide financial statements.

Notes Payable

During 2017, the City entered into a lease agreement to finance the purchase of a fire truck. The terms of this agreement provided for the repayment of the principal amount of \$524,989, with annual installments of \$109,925, including interest, with maturity in 2021.

During 2019, the City entered into a lease agreement to finance the purchase of two vehicles. The terms of this agreement provided for the repayment of the principal amount of \$78,945, with annual installments of \$27,530, including interest, with maturity in 2020.

Interest expenses/expenditures of \$9,802 were recorded in the General Fund financial statements and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2019 including interest payments of \$9,515,345 are as follows:

Year Ending December 31,	Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 4,495,000	\$ 1,244,709	\$ 131,238	\$ 6,217	\$ 4,626,238	\$ 1,250,926
2021	4,600,000	1,136,804	107,404	2,521	4,707,404	1,139,325
2022	4,480,000	1,023,050	-	-	4,480,000	1,023,050
2023	4,415,000	898,868	-	-	4,415,000	898,868
2024	4,090,000	803,622	-	-	4,090,000	803,622
2025-2029	18,165,000	2,631,629	-	-	18,165,000	2,631,629
2030-2034	7,805,000	1,366,225	-	-	7,805,000	1,366,225
2035-2039	4,575,000	393,825	-	-	4,575,000	393,825
2040	525,000	7,875	-	-	525,000	7,875
	<u>\$ 53,150,000</u>	<u>\$ 9,506,607</u>	<u>\$ 238,642</u>	<u>\$ 8,738</u>	<u>\$ 53,388,642</u>	<u>\$ 9,515,345</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.

Prior Year Defeasance of Debt

In the prior year, the City defeased certain public improvement bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2019, the outstanding balance has been satisfied.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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
2012 ERS	\$ 574,934	\$ 59,884	\$ 190,649	\$ 61,680
2012 PFRS	564,252	58,771	187,106	60,534
2013 ERS	512,112	41,557	284,295	43,120
2013 PFRS	760,826	61,740	422,365	64,062
2014 ERS	533,602	41,934	337,641	43,402
2014 PFRS	424,594	33,368	268,664	34,535
2015 ERS	412,640	31,499	292,571	32,541
2015 PFRS	322,636	24,628	228,758	25,444
	<u>\$ 4,105,596</u>	<u>\$ 353,381</u>	<u>\$ 2,212,049</u>	<u>\$ 365,318</u>

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

Fund	ERS	PFRS	Total
General	\$ 171,162	\$ 223,045	\$ 394,207
Water	28,622	-	28,622
Sewer	8,965	-	8,965
Section 8 Housing	9,905	-	9,905
	<u>\$ 218,654</u>	<u>\$ 223,045</u>	<u>\$ 441,699</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,

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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.

H. Defined Benefit - Fire Service Awards Program

The City's financial statements are for the year ended December 31, 2019. 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, 2018, 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.

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

Benefits provided

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Participants covered by the benefit terms.

At the December 31, 2018 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	41
Inactive participants entitled to but not yet receiving benefits payments	30
Active participants	<u>59</u>
 Total	 <u>130</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, 2018 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total Pension Liability

Balance as of 12/31/17 measurement date	\$ 3,561,105
Service cost	61,779
Interest	112,423
Changes in assumptions or other inputs	(232,718)
Differences between expected and actual experience	63,552
Benefit payments	<u>(130,340)</u>
Balance as of 12/31/18 measurement date	<u>\$ 3,435,801</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, 2018 measurement date, calculated using the discount rate of 3.64%, 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 (2.64%) or 1-percentage point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Current Assumption (3.64%)	1% Increase (4.64%)
Total Pension Liability	\$ 3,950,261	\$ 3,435,801	\$ 3,021,159

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

For the year ended December 31, 2019, the City recognized pension expense of \$116,429 in the Government-wide financial statements. At December 31, 2019, 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	\$ 52,085	\$ 16,079
Changes of assumptions or other inputs	146,316	273,529
Benefit payments & administrative expenses subsequent to the measurement date	<u>154,575</u>	-
	<u>\$ 352,976</u>	<u>\$ 289,608</u>

\$154,575 reported as deferred outflows of resources related to pensions resulting from City transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2020.

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2019

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 December 31,</u>		
2020	\$	(42,587)
2021		(42,587)
2022		(6,033)
Thereafter		-

Defined Benefit - Ambulance Service Awards Program

The City's financial statements are for the year ended December 31, 2019. 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, 2018, which is the most recent program year for which complete information is available. The Program is accounted for in the City's financial statements within the Ambulance Service Awards Program Sub-Fund.

Plan description

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

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

Benefits provided

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

Participants covered by the benefit terms.

At the December 31, 2018 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	-
Inactive participants entitled to but not yet receiving benefits payments	12
Active participants	46
Total	58

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Contributions

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

Measurement of Total Pension Liability

The total pension liability at the December 31, 2018 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 2020 with scale MP2017.

Discount Rate. The discount rate used to measure the total pension liability was 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/17 measurement date	\$ 778,966
Service cost	60,542
Interest	26,172
Changes in assumptions or other inputs	(78,012)
Differences between expected and actual experience	16,977
Benefit payments	<u>(22,559)</u>
Balance as of 12/31/18 measurement date	<u>\$ 782,086</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, 2018 measurement date, calculated using the discount rate of 3.64%, 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 (2.64%) or 1-percentage point higher (4.64%) than the current rate:

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (2.64%)	Current Assumption (3.64%)	1% Increase (4.64%)
Total Pension Liability	\$ 955,881	\$ 782,086	\$ 646,175

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

For the year ended December 31, 2019, the City recognized pension expense of \$104,447 in the Ambulance Service Award Fund. At December 31, 2019, 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	\$ 34,542	\$ 64,207
Changes of assumptions or other inputs	69,749	138,383
Benefit payments & administrative expenses subsequent to the measurement date	5,530	-
	<u>\$ 109,821</u>	<u>\$ 202,590</u>

\$5,530 reported as deferred outflows of resources related to pensions resulting from City transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2020.

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

Year Ended <u>December 31,</u>	
2020	\$ (6,207)
2021	(6,207)
2022	(6,207)
2023	(6,207)
2024	(6,207)
Thereafter	(67,264)

Pension Plans

New York State and Local 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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	15.8%
	4 A15	15.8
	5 A15	13.0
	6 A15	9.3
PFRS	2 384D	24.0%
	2 384E	24.9
	3 384D	23.7
	5 384D	19.4
	6 375I	8.7
	6 384D	14.4
	6 384E	15.2

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2019, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	ERS	PFRS
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	\$ 2,325,643	\$ 3,959,546
City's proportion of the net pension liability	0.0328235%	0.2361000%
Change in proportion since the prior measurement date	(0.0013627%)	(0.0016212%)

The net pension liability was measured as of March 31, 2019 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, 2019, the City recognized pension expense in the government-wide financial statements of \$1,586,543 for ERS and \$2,572,402 for PFRS. Pension expenditures of \$1,328,774 for ERS and \$2,041,014 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Fund	ERS	PFRS
General	\$ 979,839	\$ 2,041,014
Water	206,015	-
Sewer	91,879	-
Section 8 Housing	<u>51,041</u>	<u>-</u>
Total	<u>\$ 1,328,774</u>	<u>\$ 2,041,014</u>

At December 31, 2019, the City reported 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
Differences between expected and actual experience	\$ 457,968	\$ 156,116	\$ 961,883	\$ 422,747	\$ 1,419,851
Changes of assumptions	584,571	-	1,438,609	-	2,023,180
Net difference between projected and actual earnings on pension plan investments	-	596,888	-	793,000	-
Changes in proportion and differences between City contributions and proportionate share of contributions	307,981	63,505	151,778	127,514	459,759
City contributions subsequent to the measurement date	<u>924,091</u>	<u>-</u>	<u>1,458,304</u>	<u>-</u>	<u>2,382,395</u>
	<u>\$ 2,274,611</u>	<u>\$ 816,509</u>	<u>\$ 4,010,574</u>	<u>\$ 1,343,261</u>	<u>\$ 6,285,185</u>
					<u>\$ 2,159,770</u>

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

\$924,091 and \$1,458,304 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 year ended March 31, 2020. 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
2020	\$ 556,434	\$ 770,281
2021	(399,812)	(148,747)
2022	26,158	8,667
2023	351,231	472,587
2024	-	106,221
Thereafter	-	-

The total pension liability for the March 31, 2019 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 April 1, 2018 valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0%	7.0%
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

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

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
 December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<hr/> <u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.0%. 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 calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
City's proportionate share of the ERS net pension liability (asset)	\$ 10,168,081	\$ 2,325,643	\$ (4,262,562)
City's proportionate share of the PFRS net pension liability (asset)	\$ 14,309,207	\$ 3,959,546	\$ (4,683,622)

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	<u>182,718,124,000</u>	<u>32,451,037,000</u>	<u>215,169,161,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</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, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 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, 2019 were \$924,091 and \$1,458,304, 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 reported as a landfill closure costs liability in the government-wide financial statements at December 31, 2019. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Claims Payable

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	General Liability and Casualty	Workers' Compensation	General Liability and Casualty	Workers' Compensation
Balance - Beginning of Year	\$ 1,371,389	\$ 1,052,391	\$ 1,345,570	\$ 1,277,697
Provision for Claims and Claims Adjustment Expenses	243,459	12,849	348,258	3,409
Claims and Claims Adjustment Expenses Paid	(123,443)	(249,506)	(322,439)	(228,715)
Balance - End of Year	<u>\$ 1,491,405</u>	<u>\$ 815,734</u>	<u>\$ 1,371,389</u>	<u>\$ 1,052,391</u>
Due Within One Year	<u>\$ 149,000</u>	<u>\$ 82,000</u>	<u>\$ 137,000</u>	<u>\$ 105,000</u>

Other Post Employment Benefit Obligations (“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 post employment 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, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	180
Active employees	201
	<u>381</u>

The City's total OPEB liability of \$189,668,597 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2018.

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the January 1, 2018 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	3.00%
Healthcare cost trend rates	8.0% for 2019, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2026
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 sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2018 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2018 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The City's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$ 153,525,867
Service cost	1,716,245
Interest	5,527,992
Changes in assumptions or other inputs	32,582,606
Benefit payments	<u>(3,684,113)</u>
 Total OPEB Liability - End of Year	 <u>\$ 189,668,597</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 (2.00%) or 1 percentage point higher (4.00%) than the current discount rate:

	1% Decrease (2.00%)	Current Assumption (3.00%)	1% Increase (4.00%)
Total OPEB Liability	\$ 247,610,778	\$ 189,668,597	\$ 150,268,133

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

lower(7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 4.00%)	Healthcare Cost Trend Rates (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
Total OPEB Liability	\$ 146,649,893	\$ 189,668,597	\$ 256,666,623

For the year ended December 31, 2019, the City recognized OPEB expense of \$9,054,382 in the government-wide financial statements. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes of assumptions or other inputs	\$ 30,772,461
Differences between expected and actual experience	<u>-</u>
	<u>\$ 30,772,461</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,

2020	\$ 3,419,162
2021	3,419,162
2022	3,419,162
2023	3,419,162
2024	3,419,162
Thereafter	13,676,651

I. 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In		
	General Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 1,410,000	\$ 1,410,000
Water Fund	255,000	-	255,000
Non-Major Governmental Funds	502,895	581,162	1,084,057
	<u>\$ 757,895</u>	<u>\$ 1,991,162</u>	<u>\$ 2,749,057</u>

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

J. 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, 2019, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 64,240
Water Fund	178,222
Non-Major Governmental Funds	<u>856</u>
Total	<u>\$ 243,318</u>

K. Net Position

The components of net position are detailed below:

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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, 2019

Note 3 - Detailed Notes on All Funds (Continued)

L. Fund Balance

	2019						2018							
	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds	Total
Nonspendable														
Prepaid expenditures	\$ 1,152,834	\$ -	\$ 98,911	\$ -	\$ -	\$ 52,467	\$ 1,304,212	\$ 1,306,067	\$ -	\$ 63,314	\$ 22,147	\$ -	\$ 34,829	\$ 1,426,357
Inventories	-	-	237,088	-	-	-	237,088	-	-	214,370	-	-	-	214,370
Permanent fund	-	-	-	-	-	100,000	100,000	-	-	-	-	-	100,000	100,000
Long-term receivables	205,695	-	-	-	-	-	205,695	229,283	-	-	-	-	-	229,283
Total Nonspendable	1,358,529	-	335,899	-	-	152,467	1,846,995	1,535,350	-	277,684	22,147	-	134,829	1,970,010
Restricted														
Liability and casualty claims	351,722	-	-	-	-	-	351,722	349,972	-	-	-	-	-	349,972
Workers compensation	246,395	-	-	-	-	-	246,395	245,169	-	-	-	-	-	245,169
Debt service - Fire House	4,440,009	-	-	-	-	-	4,440,009	5,060,452	-	-	-	-	-	5,060,452
Permanent	-	-	-	-	-	2,270	2,270	-	-	-	-	-	2,176	2,176
Special purpose	-	-	-	-	-	64,596	64,596	-	-	-	-	-	70,322	70,322
Fire service award program	2,604,702	-	-	-	-	-	2,604,702	2,371,639	-	-	-	-	-	2,371,639
Ambulance service award program	733,311	-	-	-	-	-	733,311	582,198	-	-	-	-	-	582,198
Section 8 Housing	-	-	-	89,141	-	-	89,141	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	1,934,417	1,934,417	-	-	-	-	-	1,826,145	1,826,145
Total Restricted	8,376,139	-	-	89,141	1,934,417	66,866	10,466,563	8,609,430	-	-	-	-	1,826,145	10,598,073
Committed														
State retirement systems expenditures	300,000	-	-	-	-	-	300,000	300,000	-	-	-	-	-	300,000
Tax stabilization	573,975	-	-	-	-	-	573,975	573,975	-	-	-	-	-	573,975
Capital improvements in City parks	-	-	-	-	-	-	838,356	838,356	-	-	-	-	-	1,270,801
Total Committed	873,975	-	-	-	-	-	838,356	1,712,331	873,975	-	-	-	-	1,270,801
Assigned														
Purchases on order														
General government support	12,460	-	-	-	-	-	12,460	20,433	-	-	-	-	-	20,433
Public safety	22,092	-	-	-	-	-	22,092	4,370	-	-	-	-	-	4,370
Transportation	17,095	-	-	-	-	-	17,095	24,108	-	-	-	-	-	24,108
Economic opportunity and development	-	-	-	-	-	-	-	-	-	-	-	-	-	2,210
Culture and recreation	1,251	-	-	-	-	-	-	1,251	5,154	-	-	-	-	5,154
Home and community services	11,342	-	178,222	-	-	-	856	190,420	35,429	-	-	-	-	35,429
	64,240	-	178,222	-	-	-	856	243,318	91,704	-	-	-	-	91,704
Subsequent year's expenditures	1,537,000	-	-	-	-	-	1,537,000	1,527,000	-	-	-	-	-	100,000
Tax certiorari payments	270,695	-	-	-	-	-	270,695	335,042	-	-	-	-	-	336,042
Major funds	-	-	2,227,315	-	-	-	2,227,315	-	-	2,243,850	-	-	-	2,243,850
Non-major funds														
Sewer	-	-	-	-	-	-	2,001,448	2,001,448	-	-	-	-	-	1,866,085
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	(73,427)
Total Assigned	1,871,935	-	2,405,537	-	-	-	2,002,304	6,279,776	1,954,746	-	2,243,850	-	-	1,892,658
Unassigned	4,802,441	(272,944)	-	-	-	-	-	4,529,497	3,339,464	(280,076)	(152,807)	-	-	2,906,581
Total Fund Balances (Deficits)	\$ 17,283,019	\$ (272,944)	\$ 2,741,536	\$ 89,141	\$ 1,934,417	\$ 3,059,993	\$ 24,835,162	\$ 16,312,965	\$ (280,076)	\$ 2,521,534	\$ (130,660)	\$ 1,826,145	\$ 3,370,786	\$ 23,620,694

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been established to account for retirement, 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.

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

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

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

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

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

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

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

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

Subsequent year's expenditures represent that at December 31, 2019 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City is a defendant in a claim involving a Police Officer. This is a claim on appeal heard in January 2018 on whether or not to grant a Police Officer's request for General Municipal Law ("GML") 207-c benefits. The Police officer filed a revised application for GML 207-c benefits December 2018. The new Chief of Police, after reviewing the revised application, the record in the earlier proceedings and discussing the matter with the previous Chief of Police, issued a new determination on February 4, 2019. A new Article 78 proceeding was then commenced in the Westchester County Supreme Court challenging the Chief of Police's February 4, 2019 determination. The Judge issued a Decision, Order and Judgment dismissing the new Article 78 proceeding that the Chief of Police had not acted in arbitrary or capricious manner by denying claims for GML 207-c benefits on procedural grounds. The Police Officer timely filed a Notice of Appeals on December 9, 2019. Any appeal to the Appellate Division, Second Department, would need to be perfected within six (6) months of the filing of the Notice of Appeals. However, due to the COVID-19 pandemic, it is possible that this date may be extended. The potential liability would be five (5) years of back pay and benefits plus interest. It is likely that the Court will affirm the lower court's earlier determination and reject the Police Officer's claim. No accruals have been made for an unfavorable outcome, if any, in these financial statements.

The nature of this claim is a claim for personal injuries sustained by a minor in which she sustained at Peekskill Day Camp as the result of a camp counselor swinging a cylinder shaped mat. The plaintiff has commenced an action by the filing of a summons and complaint. All discovery and depositions are complete. The plaintiff has made a demand in the amount of \$100,000 to settle this matter. The City continues to defend this claim. In the event of an unfavorable outcome or settlement, it is likely that the amount would be below \$100,000. No accruals have been made for an unfavorable outcome, if any, in these financial statements.

The nature of this claim is a claim for personal injuries sustained by the claimant arising from a pedestrian motor vehicle accident when the claimant was struck by a vehicle being operated by a City of Peekskill Police Officer on his way to work. The Police Officer was not operating his vehicle during his course of employment at the time of the accident. Paper discovery has been exchanged and the deposition of the plaintiff has been held. No other depositions have occurred to date. The plaintiff sustained serious personal injuries well in excess of \$100,000. The City is contesting liability on the basis that the police officer was not acting in the course of his employment at the time of the accident. The City intends to contest this case vigorously. No accruals have been made for an unfavorable outcome, if any, in these financial statements.

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2019

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. In addition, there is another member of the City Council who is a Section 8 tenant. Therefore, that member has an indirect financial relationship with the City.

E. Subsequent Events

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the City's economically sensitive revenues (i.e. sales taxes, mortgage recording taxes, interest earnings, fees, state and federal aid, transfer tax) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the City's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relation of protective measures, management cannot reasonably estimate the actual impact on the City's financial position at this time.

Note 5 - 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.

City of Peekskill, New York

Notes to Financial Statements (Concluded)
December 31, 2019

Note 5 - Tax Abatements (Continued)

Copies of the agreements may be obtained from Ann Scaglione, Comptroller, 840 Main Street, Peekskill, NY 10566, ascaglione@cityofpeekskill.com. Information relevant to disclosure of these agreements for the year ended December 31, 2019 is as follows:

Agreement	Taxable Assessed Value	City Tax Rate	City Tax Value	City PILOT Received	City Taxes Abated
64 JWB LLC	\$ 247,300	\$ 271.030	\$ 67,026	\$ 105,416	\$ (38,390)
Barham House LLC	360,000	271.030	97,571	46,103	51,468
Courtyard Housing LLC	501,750	271.030	135,989	43,256	92,733
The Giulante Family Limited	75,000	271.030	20,327	31,970	(11,643)
DP49 LLC	257,800	271.030	69,872	34,334	35,538
Drum Hill Senior Living Project	210,900	271.030	57,160	139,836	(82,676)
Hotel LLC	300,000	271.030	81,309	2,558	78,751
Peekskill Artloft Owners	62,000	271.030	16,804	70,358	(53,554)
Peekskill Housing	792,000	271.030	214,656	38,279	176,378
Resco (HHSD)	17,746,000	271.030	4,809,697	2,082,046	2,727,651
Resco (PCSD)	28,954,000	271.030	7,847,401	3,647,022	4,200,379
The Abbey At Fort Hill, LLC	119,100	271.030	32,280	14,182	18,098
Stuhr Gardens Associates LLC	516,022	271.030	139,857	134,828	5,029
Wesley Hall Apartments	433,600	271.030	117,519	56,524	60,995
Total	\$ 50,575,472		\$ 13,707,468	\$ 6,446,712	\$ 7,260,757

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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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)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 1,716,245	\$ 1,392,789
Interest	5,527,992	5,637,408
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	32,582,606 (4)	-
Benefit payments	<u>(3,684,113)</u>	<u>(3,714,321)</u>
 Net Change in Total OPEB Liability	 36,142,730	 3,315,876
 Total OPEB Liability – Beginning of Year	 <u>153,525,867</u>	 <u>150,209,991 (3)</u>
 Total OPEB Liability – End of Year	 <u>\$ 189,668,597</u>	 <u>\$ 153,525,867</u>
 City's covered-employee payroll	 <u>\$ 16,436,040</u>	 <u>\$ 16,436,040</u>
 Total OPEB liability as a percentage of covered-employee payroll	 <u>1153.98%</u>	 <u>934.08%</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.

See independent auditors' report.

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 (2)

	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	<u>0.0328235%</u>	<u>0.0314608%</u>	<u>0.0304623%</u>	<u>0.0343634%</u>	<u>0.0337201%</u>
City's proportionate share of the net pension liability	<u>\$ 2,325,643</u>	<u>\$ 1,015,381</u>	<u>\$ 2,862,302</u>	<u>\$ 5,515,425</u>	<u>\$ 1,139,149</u>
City's covered payroll	<u>\$ 9,450,409</u>	<u>\$ 9,354,125</u>	<u>\$ 8,810,715</u>	<u>\$ 8,226,192</u>	<u>\$ 8,387,391</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>24.61%</u>	<u>10.85%</u>	<u>32.49%</u>	<u>67.05%</u>	<u>13.58%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 1,523,656</u>	<u>\$ 1,618,743</u>	<u>\$ 1,563,876</u>	<u>\$ 1,521,851</u>	<u>\$ 1,320,000</u>
Contributions in relation to the contractually required contribution	<u>(1,523,656)</u>	<u>(1,618,743)</u>	<u>(1,563,876)</u>	<u>(1,521,851)</u>	<u>(1,320,000)</u>
Contribution excess	<u>\$ -</u>				
City's covered payroll	<u>\$ 9,591,392</u>	<u>\$ 9,298,358</u>	<u>\$ 9,306,418</u>	<u>\$ 8,590,577</u>	<u>\$ 8,515,855</u>
Contributions as a percentage of covered payroll	<u>15.89%</u>	<u>17.41%</u>	<u>16.80%</u>	<u>17.72%</u>	<u>15.50%</u>

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

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

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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)

	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	0.2361000%	0.2344788%	0.2314847%	0.2700003%	0.2583584%
City's proportionate share of the net pension liability	\$ 3,959,546	\$ 2,370,011	\$ 4,797,873	\$ 7,994,133	\$ 711,156
City's covered payroll	\$ 9,132,541	\$ 9,262,166	\$ 8,615,754	\$ 8,377,415	\$ 8,609,537
City's proportionate share of the net pension liability as a percentage of its covered payroll	43.36%	25.59%	55.69%	95.42%	8.26%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.50%	90.20%	99.00%

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,241,791	\$ 2,330,862	\$ 2,301,594	\$ 2,202,962	\$ 1,988,000
Contributions in relation to the contractually required contribution	(2,241,791)	(2,330,862)	(2,301,594)	(2,202,962)	(1,988,000)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,054,398	\$ 9,336,993	\$ 9,114,808	\$ 8,543,817	\$ 8,666,097
Contributions as a percentage of covered payroll	24.76%	24.96%	25.25%	25.78%	22.94%

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

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

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

City of Peekskill, New York

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

Schedule of Changes in the City's Total Pension Liability

	* 2018	* 2017	* 2016
Total Pension Liability			
Service Cost	\$ 61,779	\$ 55,650	\$ 74,287
Interest	112,423	121,566	110,747
Changes of assumptions or other inputs	(232,718)	258,867	(244,929)
Differences between expected and actual experience	63,552	(28,447)	17,141
Benefit payments	(130,340)	(135,171)	(110,300)
Net change in total pension liability	(125,304)	272,465	(153,054)
Total pension liability – beginning	3,561,105	3,288,640	3,441,694
Total pension liability – ending	\$ 3,435,801	\$ 3,561,105	\$ 3,288,640

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Covered payroll

N/A N/A N/A

Total pension liability as a percentage of covered 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%

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

See independent auditors' report.

City of Peekskill, New York

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

Schedule of Changes in the City's Total Pension Liability

	* 2018	* 2017	* 2016
Total Pension Liability			
Service Cost	\$ 60,542	\$ 54,562	\$ 58,901
Interest	26,172	27,643	23,136
Changes of assumptions or other inputs	(78,012)	78,468	(77,880)
Differences between expected and actual experience	16,977	(72,233)	22,272
Benefit payments	(22,559)	-	-
Net change in total pension liability	3,120	88,440	26,429
Total pension liability – beginning	778,966	690,526	664,097
Total pension liability – ending	\$ 782,086	\$ 778,966	\$ 690,526
 Covered payroll	 N/A	 N/A	 N/A
 Total pension liability as a percentage of covered 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%

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

See independent auditors' report.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

CAPITAL PROJECTS FUND

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

WATER FUND

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

COMMUNITY DEVELOPMENT AND SECTION 8 HOUSING ASSISTANCE FUNDS

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

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City of Peekskill, New York

General Fund

Combining Balance Sheet - Sub-Funds

December 31, 2019

(With Comparative Totals for 2018)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Totals	
				2019	2018
ASSETS					
Cash and equivalents	\$ 9,463,120	\$ -	\$ -	\$ 9,463,120	\$ 12,668,101
Investments	-	2,513,079	698,204	3,211,283	2,953,837
Taxes receivable					
City taxes	507,793	-	-	507,793	483,007
County taxes	174,410	-	-	174,410	171,831
School districts taxes	713,631	-	-	713,631	444,184
Installment agreements	302,998	-	-	302,998	162,971
	1,698,832	-	-	1,698,832	1,261,993
Other receivables					
Accounts	293,278	91,623	35,107	420,008	419,592
State and Federal aid	1,306,317	-	-	1,306,317	989,671
Due from other governments	743,113	-	-	743,113	758,779
Due from other funds	1,797,201	-	-	1,797,201	554,867
Due to custodial fund	455,172	-	-	455,172	103
	4,595,081	91,623	35,107	4,721,811	2,723,012
Prepaid expenditures	1,152,834	-	-	1,152,834	1,306,067
Total Assets	\$ 16,909,867	\$ 2,604,702	\$ 733,311	\$ 20,247,880	\$ 20,913,010
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 658,077	\$ -	\$ -	\$ 658,077	\$ 743,736
Accrued liabilities	277,551	-	-	277,551	232,320
Due to other governments	-	-	-	-	50,694
Deposits payable	871,350	-	-	871,350	827,646
Employee payroll tax deductions	308,793	-	-	308,793	261,150
Due to custodial fund	-	-	-	-	1,786,284
Unearned revenues	142,460	-	-	142,460	121,001
Total Liabilities	2,258,231	-	-	2,258,231	4,022,831
Deferred inflows of resources					
Deferred tax revenues	706,630	-	-	706,630	577,214
Total Liabilities and Deferred Inflows of Resources	2,964,861	-	-	2,964,861	4,600,045
Fund balances					
Nonspendable	1,358,529	-	-	1,358,529	1,535,350
Restricted	5,038,126	2,604,702	733,311	8,376,139	8,609,430
Committed	873,975	-	-	873,975	873,975
Assigned	1,871,935	-	-	1,871,935	1,954,746
Unassigned	4,802,441	-	-	4,802,441	3,339,464
Total Fund Balances	13,945,006	2,604,702	733,311	17,283,019	16,312,965
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,909,867	\$ 2,604,702	\$ 733,311	\$ 20,247,880	\$ 20,913,010

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, 2019
 (With Comparative Totals for 2018)

	<u>General</u>	<u>Fire Service Awards Program</u>	<u>Ambulance Service Awards Program</u>	<u>Eliminations</u>
REVENUES				
Real property taxes	\$ 16,946,996	\$ -	\$ -	\$ -
Other tax items	8,894,054	-	-	-
Non-property taxes	5,046,559	-	-	-
Departmental income	4,478,094	92,003	35,107	(127,110)
Charges for services	234,651	-	-	-
Use of money and property	400,294	296,096	124,537	-
Licenses and permits	477,738	-	-	-
Fines and forfeitures	974,223	-	-	-
Sale of property and compensation for loss	72,229	-	-	-
State aid	2,903,367	-	-	-
Federal aid	426,201	-	-	-
Miscellaneous	213,372	-	-	-
Total Revenues	41,067,778	388,099	159,644	(127,110)
EXPENDITURES				
Current				
General government support	4,380,526	-	-	-
Public safety	12,710,977	155,036	-	(92,003)
Health	293,075	-	8,531	(35,107)
Transportation	2,552,059	-	-	-
Economic opportunity and development	573,087	-	-	-
Culture and recreation	2,712,973	-	-	-
Home and community services	2,546,963	-	-	-
Employee benefits	10,586,830	-	-	-
Debt service				
Principal	2,699,383	-	-	-
Interest	828,787	-	-	-
Total Expenditures	39,884,660	155,036	8,531	(127,110)
Excess (Deficiency) of Revenues Over Expenditures	1,183,118	233,063	151,113	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	54,865	-	-	-
Transfers in	757,895	-	-	-
Transfers out	(1,410,000)	-	-	-
Total Other Financing Sources (Uses)	(597,240)	-	-	-
Net Change in Fund Balances	585,878	233,063	151,113	-
FUND BALANCES				
Beginning of Year	13,359,128	2,371,639	582,198	-
End of Year	\$ 13,945,006	\$ 2,604,702	\$ 733,311	\$ -

See independent auditors' report.

Totals

2019	2018
\$ 16,946,996	\$ 16,710,244
8,894,054	8,613,862
5,046,559	4,656,721
4,478,094	4,431,316
234,651	172,106
820,927	193,421
477,738	924,471
974,223	1,083,346
72,229	25,469
2,903,367	2,831,478
426,201	276,416
213,372	275,995
<u>41,488,411</u>	<u>40,194,845</u>
4,380,526	4,256,940
12,774,010	13,088,165
266,499	297,125
2,552,059	2,579,699
573,087	553,459
2,712,973	2,505,753
2,546,963	2,236,010
10,586,830	10,527,985
2,699,383	2,667,904
828,787	936,790
<u>39,921,117</u>	<u>39,649,830</u>
<u>1,567,294</u>	<u>545,015</u>
54,865	130,608
757,895	893,835
(1,410,000)	(700,000)
<u>(597,240)</u>	<u>324,443</u>
970,054	869,458
<u>16,312,965</u>	<u>15,443,507</u>
<u>\$ 17,283,019</u>	<u>\$ 16,312,965</u>

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City of Peekskill, New York

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

	2019	2018
ASSETS		
Cash and equivalents	\$ 9,463,120	\$ 12,668,101
Taxes receivable		
City taxes	507,793	483,007
County taxes	174,410	171,831
Delinquent school districts taxes	713,631	444,184
Installment agreements	302,998	162,971
	<u>1,698,832</u>	<u>1,261,993</u>
Other receivables		
Accounts	293,278	419,592
State and Federal aid	1,306,317	989,671
Due from other governments	743,113	758,779
Due from other funds	1,797,201	554,867
Due from custodial fund	455,172	103
	<u>4,595,081</u>	<u>2,723,012</u>
Prepaid expenditures	<u>1,152,834</u>	<u>1,306,067</u>
Total Assets	\$ 16,909,867	\$ 17,959,173
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 658,077	\$ 743,736
Accrued liabilities	277,551	232,320
Due to other governments	-	50,694
Deposits payable	871,350	827,646
Employee payroll tax deductions	308,793	261,150
Due to custodial fund	-	1,786,284
Unearned revenues	<u>142,460</u>	<u>121,001</u>
Total Liabilities	2,258,231	4,022,831
Deferred inflows of resources		
Deferred tax revenues	<u>706,630</u>	<u>577,214</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,964,861</u>	<u>4,600,045</u>
Fund balance		
Nonspendable	1,358,529	1,535,350
Restricted	5,038,126	5,655,593
Committed	873,975	873,975
Assigned	1,871,935	1,954,746
Unassigned	<u>4,802,441</u>	<u>3,339,464</u>
Total Fund Balance	<u>13,945,006</u>	<u>13,359,128</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 16,909,867</u>	<u>\$ 17,959,173</u>

See independent auditors' report.

City of Peekskill, New York

General Fund

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

2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 16,990,000	\$ 16,990,000	\$ 16,946,996	\$ (43,004)
Other tax items	7,909,900	7,909,900	8,894,054	984,154
Non-property taxes	4,560,000	4,560,000	5,046,559	486,559
Departmental income	4,298,850	4,397,686	4,478,094	80,408
Charges for services	230,000	230,000	234,651	4,651
Use of money and property	307,500	307,500	400,294	92,794
Licenses and permits	481,000	481,000	477,738	(3,262)
Fines and forfeitures	1,070,000	1,070,000	974,223	(95,777)
Sale of property and compensation for loss	30,000	30,000	72,229	42,229
State aid	2,767,000	2,767,000	2,903,367	136,367
Federal aid	212,750	766,607	426,201	(340,406)
Miscellaneous	194,000	194,000	213,372	19,372
Total Revenues	39,051,000	39,703,693	41,067,778	1,364,085
EXPENDITURES				
Current				
General government support	4,648,659	4,156,415	4,380,526	(224,111)
Public safety	13,558,024	13,229,550	12,710,977	518,573
Health	367,000	230,710	293,075	(62,365)
Transportation	2,419,685	2,720,961	2,552,059	168,902
Economic opportunity and development	525,587	648,515	573,087	75,428
Culture and recreation	2,437,131	3,231,159	2,712,973	518,186
Home and community services	2,425,942	2,660,512	2,546,963	113,549
Employee benefits	10,936,227	10,927,625	10,586,830	340,795
Debt service				
Principal	2,780,244	2,780,244	2,699,383	80,861
Interest	839,205	839,205	828,787	10,418
Total Expenditures	40,937,704	41,424,896	39,884,660	1,540,236
Excess (Deficiency) of Revenues Over Expenditures	(1,886,704)	(1,721,203)	1,183,118	2,904,321
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	50,000	50,000	54,865	4,865
Transfers in	928,000	978,840	757,895	(220,945)
Transfers out	(710,000)	(910,000)	(1,410,000)	(500,000)
Total Other Financing Sources (Uses)	268,000	118,840	(597,240)	(716,080)
Net Change in Fund Balance	(1,618,704)	(1,602,363)	585,878	2,188,241
FUND BALANCE				
Beginning of Year	1,618,704	1,602,363	13,359,128	11,756,765
End of Year	\$ -	\$ -	\$ 13,945,006	\$ 13,945,006

See independent auditors' report.

2018					
				Variance with Final Budget	
	Original Budget	Final Budget	Actual	Positive (Negative)	
\$	16,650,000	\$ 16,650,000	\$ 16,710,244	\$ 60,244	
	7,570,985	7,570,985	8,613,862	1,042,877	
	4,310,000	4,310,000	4,656,721	346,721	
	4,210,765	4,292,762	4,431,316	138,554	
	230,000	230,000	172,106	(57,894)	
	280,000	279,999	338,108	58,109	
	503,000	503,000	924,471	421,471	
	855,000	855,000	1,083,346	228,346	
	30,000	30,000	25,469	(4,531)	
	2,721,000	2,709,000	2,831,478	122,478	
	212,750	530,166	276,416	(253,750)	
	166,000	166,000	275,995	109,995	
	<u>37,739,500</u>	<u>38,126,912</u>	<u>40,339,532</u>	<u>2,212,620</u>	
	4,739,362	4,256,995	4,256,940	55	
	13,144,839	13,037,650	13,037,622	28	
	366,000	298,220	298,220	-	
	2,454,127	2,579,722	2,579,699	23	
	542,502	553,479	553,459	20	
	2,400,816	2,717,896	2,505,753	212,143	
	2,264,838	2,236,030	2,236,010	20	
	9,891,591	10,527,986	10,527,985	1	
	<u>2,718,000</u>	<u>2,667,904</u>	<u>2,667,904</u>	<u>-</u>	
	<u>923,327</u>	<u>936,791</u>	<u>936,790</u>	<u>1</u>	
	<u>39,445,402</u>	<u>39,812,673</u>	<u>39,600,382</u>	<u>212,291</u>	
	<u>(1,705,902)</u>	<u>(1,685,761)</u>	<u>739,150</u>	<u>2,424,911</u>	
	50,000	50,000	130,608	80,608	
	898,000	898,000	893,835	(4,165)	
	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>	
	248,000	248,000	324,443	76,443	
	<u>(1,457,902)</u>	<u>(1,437,761)</u>	<u>1,063,593</u>	<u>2,501,354</u>	
	<u>1,457,902</u>	<u>1,437,761</u>	<u>12,295,535</u>	<u>10,857,774</u>	
\$	<u>-</u>	<u>-</u>	<u>\$ 13,359,128</u>	<u>\$ 13,359,128</u>	

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	
				Positive (Negative)	2018 Actual
REAL PROPERTY TAXES	\$ 16,990,000	\$ 16,990,000	\$ 16,946,996	\$ (43,004)	\$ 16,710,244
OTHER TAX ITEMS					
Interest and penalties on real property taxes	480,000	480,000	424,781	(55,219)	354,854
Gain on sale of tax acquired property	400,000	400,000	591,185	191,185	571,355
Payments in lieu of taxes	6,529,900	6,529,900	6,446,712	(83,188)	6,236,721
Real estate transfer tax	500,000	500,000	1,431,376	931,376	1,450,932
	7,909,900	7,909,900	8,894,054	984,154	8,613,862
NON-PROPERTY TAXES					
Non-property tax distribution from County	3,800,000	3,800,000	4,315,012	515,012	3,775,765
Utilities gross receipts taxes	300,000	300,000	295,020	(4,980)	321,471
Hotel tax	160,000	160,000	150,876	(9,124)	154,548
Cable television franchise fees	300,000	300,000	285,651	(14,349)	404,937
	4,560,000	4,560,000	5,046,559	486,559	4,656,721
DEPARTMENTAL INCOME					
Charges for tax advertising	4,000	4,000	1,825	(2,175)	4,414
Comptroller's fees	50,000	50,000	36,553	(13,447)	56,009
Assessor's fees	500	500	2,110	1,610	397
City Clerk fees	4,900	4,900	8,498	3,598	8,330
Police fees	65,200	65,200	56,710	(8,490)	56,681
Vital statistics	9,000	9,000	8,328	(672)	9,506
Ambulance charges	20,000	20,000	81,883	61,883	11,918
Public works fees	28,000	28,000	23,780	(4,220)	34,241
Parking lots and garages	1,145,050	1,145,050	1,212,811	67,761	1,241,213
Parks and recreation charges	292,000	292,000	274,780	(17,220)	260,880
Concessions and rentals	67,200	67,200	66,990	(210)	47,431
Pool and marina charges	106,000	106,000	101,028	(4,972)	101,947
Other recreation income	22,000	22,000	22,366	366	21,392

Zoning and Planning Board fees	37,500	37,500	55,500	18,000	58,040
Sale of electric power	1,885,000	1,885,000	1,885,000	-	1,885,000
Dumpster fees	360,000	360,000	327,999	(32,001)	406,252
Recycling fees	110,000	110,000	110,000	-	110,000
Participant's contributions - Nutrition programs	60,000	60,000	81,115	21,115	64,471
Youth programs - Westchester County L.I.F.T. grant	-	98,775	92,643	(6,132)	20,476
Youth programs - Various	-	61	61	-	-
Other departmental income	32,500	32,500	28,114	(4,386)	32,718
	<u>4,298,850</u>	<u>4,397,686</u>	<u>4,478,094</u>	<u>80,408</u>	<u>4,431,316</u>
CHARGES FOR SERVICES					
County prisoner transportation	200,000	200,000	159,801	(40,199)	172,106
Snow removal	30,000	30,000	74,850	44,850	-
	<u>230,000</u>	<u>230,000</u>	<u>234,651</u>	<u>4,651</u>	<u>172,106</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	10,000	10,000	82,982	72,982	29,080
Rentals of real property	297,500	297,500	317,312	19,812	309,028
	<u>307,500</u>	<u>307,500</u>	<u>400,294</u>	<u>92,794</u>	<u>338,108</u>
LICENSES AND PERMITS					
Business and occupational licenses	51,500	51,500	43,131	(8,369)	70,055
Bingo licenses	1,500	1,500	1,121	(379)	2,434
Dog licenses and apportionment	5,500	5,500	4,634	(866)	6,479
Marriage licenses	7,000	7,000	7,138	138	6,558
Other licenses	1,000	1,000	211	(789)	546
Public safety permits	5,500	5,500	2,160	(3,340)	10,695
Building permits	200,000	200,000	148,471	(51,529)	411,050
Street opening permits	20,000	20,000	16,850	(3,150)	18,522
Plumbing permits	60,000	60,000	102,025	42,025	69,095
Other permits	129,000	129,000	151,997	22,997	329,037
	<u>481,000</u>	<u>481,000</u>	<u>477,738</u>	<u>(3,262)</u>	<u>924,471</u>

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	
				Positive (Negative)	2018 Actual
FINES AND FORFEITURES	\$ 1,070,000	\$ 1,070,000	\$ 974,223	\$ (95,777)	\$ 1,083,346
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	30,000	30,000	72,229	42,229	25,469
STATE AID					
Mortgage tax	450,000	450,000	578,631	128,631	512,093
Court facilities aid	93,000	93,000	95,415	2,415	92,265
Per capita	2,219,000	2,219,000	2,219,384	384	2,219,384
Public safety grants	5,000	5,000	9,937	4,937	7,736
	2,767,000	2,767,000	2,903,367	136,367	2,831,478
FEDERAL AID					
Community Development Block Grant	4,000	4,000	-	(4,000)	-
Mental Health	-	451,780	200,583	(251,197)	82,259
Workforce Investment Act	28,750	130,827	98,754	(32,073)	87,931
Nutrition for the Elderly - Title IIIC	180,000	180,000	126,864	(53,136)	106,226
	212,750	766,607	426,201	(340,406)	276,416
MISCELLANEOUS					
Gifts and donations	-	-	6,900	6,900	1,750
Police overtime reimbursement	100,000	100,000	170,430	70,430	190,937
Other	94,000	94,000	36,042	(57,958)	83,308
	194,000	194,000	213,372	19,372	275,995
TOTAL REVENUES	39,051,000	39,703,693	41,067,778	1,364,085	40,339,532

OTHER FINANCING SOURCES

Insurance recoveries	50,000	50,000	54,865	4,865	130,608
Transfers in					
Water Fund	255,000	255,000	255,000	-	240,000
Section 8 Housing Fund	170,000	170,000	-	(170,000)	130,000
Sewer Fund	305,000	305,000	305,000	-	290,000
Recreation Fund	-	50,840	50,840	-	35,835
Community Development Fund	98,000	98,000	98,000	-	98,000
Debt Service Fund	100,000	100,000	49,055	(50,945)	100,000
	928,000	978,840	757,895	(220,945)	893,835
TOTAL OTHER FINANCING SOURCES	978,000	1,028,840	812,760	(216,080)	1,024,443
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 40,029,000	\$ 40,732,533	\$ 41,880,538	\$ 1,148,005	\$ 41,363,975

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget		2018 Actual
				Positive (Negative)		
GENERAL GOVERNMENT SUPPORT						
Common Council	\$ 60,616	\$ 56,914	\$ 56,914	\$ -	\$ 60,967	
Unified Court	70,930	77,826	77,825	1	69,237	
Mayor	17,665	16,055	16,054	1	15,693	
City Manager	300,797	296,842	296,841	1	287,815	
Comptroller	599,048	596,535	596,535	-	583,555	
Assessment	275,155	240,942	240,925	17	214,384	
Tax Review Board	2,100	1,707	1,707	-	2,090	
Expenses on property acquired for taxes	10,000	6,401	6,401	-	7,441	
City Clerk	336,136	324,342	324,341	1	295,563	
Law	438,774	426,546	426,536	10	416,619	
Personnel	183,661	194,459	194,430	29	182,418	
Elections	43,650	42,187	42,187	-	40,334	
Parking Violations Bureau	139,931	70,166	70,165	1	87,855	
Public works administration	317,345	267,876	267,876	-	330,530	
Building maintenance	582,952	601,101	601,091	10	526,815	
Central data processing	251,039	247,848	348,933	(101,085)	219,613	
Central printing and mailing	40,000	25,743	25,743	-	25,198	
Special items						
Unallocated insurance	425,000	394,242	519,236	(124,994)	553,368	
Municipal association dues	6,500	6,239	6,239	-	6,239	
Judgments and claims	179,800	69,796	69,795	1	137,629	
Taxes on City property	85,000	70,039	70,039	-	114,469	
Metropolitan transportation and mobility tax	64,000	64,000	62,104	1,896	61,264	
Miscellaneous services	100,000	58,609	58,609	-	17,844	
Contingency	118,560	-	-	-	-	
	4,648,659	4,156,415	4,380,526	(224,111)	4,256,940	

PUBLIC SAFETY

Police Department	9,039,080	8,534,887	8,068,047	466,840	8,730,402
Traffic control	141,125	139,599	117,488	22,111	92,941
Fire Department	3,493,181	3,699,524	3,672,846	26,678	3,450,112
Control of animals	126,054	116,954	114,149	2,805	117,134
Building and plumbing	593,818	522,398	522,260	138	481,720
Civil defense	164,766	216,188	216,187	1	165,313
	<u>13,558,024</u>	<u>13,229,550</u>	<u>12,710,977</u>	<u>518,573</u>	<u>13,037,622</u>

HEALTH

Ambulance	367,000	230,710	293,075	(62,365)	298,220
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TRANSPORTATION

Street maintenance	1,256,260	1,336,173	1,266,733	69,440	1,425,910
Central garage	400,771	438,116	391,533	46,583	408,560
Snow removal	282,500	426,272	419,057	7,215	290,103
Street lighting	292,250	322,327	308,533	13,794	269,567
Off-street parking	187,904	198,073	166,203	31,870	185,559
	<u>2,419,685</u>	<u>2,720,961</u>	<u>2,552,059</u>	<u>168,902</u>	<u>2,579,699</u>

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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Youth Board - Job training	-	85,237	79,057	6,180	57,933
Nutrition program for the elderly	525,587	563,278	494,030	69,248	495,526
	<u>525,587</u>	<u>648,515</u>	<u>573,087</u>	<u>75,428</u>	<u>553,459</u>

CULTURE AND RECREATION

Recreation administration	378,227	382,494	369,762	12,732	357,105
Parks maintenance	574,131	641,677	623,248	18,429	561,900
Playgrounds	390,902	391,188	356,294	34,894	371,656
Kiley sports program	234,955	236,330	229,486	6,844	215,755
Youth bureau	237,260	837,748	459,701	378,047	353,700
Summer recreation programs	86,741	93,173	91,078	2,095	87,118
Pool	148,625	209,478	200,503	8,975	143,805
Marina	15,100	15,094	13,396	1,698	13,468
Riverfront programs	14,000	14,000	13,667	333	16,904

(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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget		2018 Actual
				Positive (Negative)		
CULTURE AND RECREATION (Continued)						
Civic theatres	\$ 115,000	\$ 138,457	\$ 115,596	\$ 22,861	\$ 135,277	
Celebrations	62,500	62,500	33,167	29,333	49,135	
Senior citizen club	129,690	159,020	157,075	1,945	149,930	
Norwest program	50,000	50,000	50,000	-	50,000	
	<u>2,437,131</u>	<u>3,231,159</u>	<u>2,712,973</u>	<u>518,186</u>	<u>2,505,753</u>	
HOME AND COMMUNITY SERVICES						
Refuse collection and disposal	1,542,520	1,757,031	1,731,227	25,804	1,486,979	
Street cleaning	93,309	101,784	101,784	-	104,560	
Shade trees	-	-	-	-	254	
Planning and development	790,113	801,697	713,952	87,745	644,217	
	<u>2,425,942</u>	<u>2,660,512</u>	<u>2,546,963</u>	<u>113,549</u>	<u>2,236,010</u>	
EMPLOYEE BENEFITS						
State retirement	1,165,000	1,100,600	1,151,001	(50,401)	1,108,193	
Police retirement	2,410,000	2,410,000	2,264,059	145,941	2,317,198	
Life, health and dental insurance	6,386,227	6,442,025	6,393,886	48,139	6,265,264	
Unemployment benefits	5,000	5,000	3,402	1,598	10,746	
Workers' compensation benefits	970,000	970,000	774,482	195,518	826,584	
	<u>10,936,227</u>	<u>10,927,625</u>	<u>10,586,830</u>	<u>340,795</u>	<u>10,527,985</u>	

DEBT SERVICE

Principal

Serial bonds	2,544,200	2,544,200	2,544,200	-	2,486,000
Notes	<u>236,044</u>	<u>236,044</u>	<u>155,183</u>	<u>80,861</u>	<u>181,904</u>
	<u>2,780,244</u>	<u>2,780,244</u>	<u>2,699,383</u>	<u>80,861</u>	<u>2,667,904</u>
Interest					
Serial bonds	812,792	812,792	809,473	3,319	912,127
Bond anticipation notes	9,512	9,512	9,512	-	13,725
Notes	<u>16,901</u>	<u>16,901</u>	<u>9,802</u>	<u>7,099</u>	<u>10,938</u>
	<u>839,205</u>	<u>839,205</u>	<u>828,787</u>	<u>10,418</u>	<u>936,790</u>
	<u>3,619,449</u>	<u>3,619,449</u>	<u>3,528,170</u>	<u>91,279</u>	<u>3,604,694</u>

TOTAL EXPENDITURES

40,937,704 41,424,896 39,884,660 1,540,236 39,600,382

OTHER FINANCING USES

Transfers out

Capital Projects Fund	710,000	910,000	1,410,000	(500,000)	700,000
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TOTAL EXPENDITURES AND OTHER FINANCING USES

\$ 41,647,704 \$ 42,334,896 \$ 41,294,660 \$ 1,040,236 \$ 40,300,382

City of Peekskill, New York

Capital Projects Fund
 Comparative Balance Sheet
 December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 1,451,527</u>	<u>\$ 1,732,454</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ -	\$ 6,954
Retainages payable	126,481	589,709
Bond anticipation notes payable	-	410,000
Due to other funds	<u>1,597,990</u>	<u>1,005,867</u>
Total Liabilities	1,724,471	2,012,530
Fund deficit		
Unassigned	<u>(272,944)</u>	<u>(280,076)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,451,527</u>	<u>\$ 1,732,454</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>2019</u>	<u>2018</u>
REVENUES		
State aid	\$ 1,847,613	\$ 817,546
Federal aid	811,828	861,885
Miscellaneous	<u>162,522</u>	-
 Total Revenues	 2,821,963	1,679,431
EXPENDITURES		
Capital outlay	<u>4,884,938</u>	<u>9,925,091</u>
Deficiency of Revenues		
Over Expenditures	<u>(2,062,975)</u>	<u>(8,245,660)</u>
OTHER FINANCING SOURCES		
Notes issued	78,945	-
Transfers in	<u>1,991,162</u>	<u>1,286,007</u>
 Total Other Financing Sources	 <u>2,070,107</u>	<u>1,286,007</u>
 Net Change in Fund Balance	 7,132	 (6,959,653)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(280,076)</u>	<u>6,679,577</u>
 End of Year	 <u>\$ (272,944)</u>	 <u>\$ (280,076)</u>

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project through December 31, 2019

Project	Project Number	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
City Hall - Computer Upgrade	131	\$ 2,180,684	\$ 1,732,196	\$ 448,488
City Hall - 2015 Equipment	135	1,313,061	1,235,837	77,224
City Hall - 2019 Equipment	136	498,183	446,731	51,452
City Maps	178	57,500	47,020	10,480
Repainting of Water Tanks	189	1,869,782	1,744,758	125,024
Fort Hill Park	195	250,000	74,825	175,175
Broad Street Improvements	197	23,000	-	23,000
Brown/Ester Streetscape	198	643,007	643,007	-
South Division Streetscape	199	940,657	940,657	-
Park Maintenance	500	326,345	280,200	46,145
Park Maintenance - Lepore Park Lighting	500-7	10,778	10,778	-
Park Maintenance - Tennis Court Lighting	500-14	2,136	2,136	-
Street Paving	502-2012	2,973,952	3,239,352	(265,400)
Nelson Parking Garage	504-2012	2,490,522	2,404,365	86,157
Public Works Equipment	505	2,174,793	2,174,793	-
Lincoln Train Station - Visitor's Center	541-1	2,131,076	1,928,791	202,285
Lincoln Plaza Design	541-2	823,572	821,963	1,609
Insurance Reserve Paramount	548	678,059	550,345	127,714
5 Corporate Drive	552	581,000	542,183	38,817
Firehouse Building Maintenance	570	247,771	247,771	-
Construction DPW Garage	571	87,884	78,097	9,787
Water Meter Upgrade	592	1,918,110	1,994,510	(76,400)
Neighborhood Center Roof	601	322,811	329,417	(6,606)
Parks Pool Bathhouse	602	313,900	313,721	179
Louisa Street Ballfield	617	556,747	286,996	269,751
Blight Study	623-2	5,801	4,750	1,051
Downtown Redevelopment - RFP	623-3	40,196	32,045	8,151
City Hall Repairs	628	504,973	504,973	-
Neighborhood Center	628-27,30	414,440	414,440	-
Police Department Courthouse	628-32	447,904	106,510	341,394
Lights and Signs - Welcome Signs	634-2	30,000	4,570	25,430
Plantings	636	54,070	18,245	35,825
Central Firehouse	638	16,336,337	17,910,849	(1,574,512)
James Street Parking Ramp	642	2,859,712	2,854,972	4,740
Purchase Lower South Street	647	6,479,093	6,481,063	(1,970)
Salt Shed	649	231,309	221,109	10,200
Hays Plaza	654	95,830	24,546	71,284
Infrastructure Improvements Route 6/East Main	656	896,412	896,412	-
Hollowbrook Pump Station	661	724,129	740,122	(15,993)
LWRP Update Blue Plan	663	95,000	97,383	(2,383)
Peekskill Multi Use Waterfront	664	248,737	237,877	10,860
Brownfield Clean-Up LLS Sites	665	140,000	97,948	42,052
Feasibility Study - White Plains Linen Complex	667	105,000	208,500	(103,500)
Fleischman Pier	668	369,193	244,550	124,643
Peekskill Multi Use Trail	669	1,278,335	1,773,751	(495,416)
Sewer Maintenance	670	950,000	-	950,000
Zombie Grant	672	100,000	69,937	30,063
Oakwood Drive Reconstruction	673	121,923	157,182	(35,259)
Parking Analysis	674	46,492	46,492	-
Louisa Street CDBG	675	774,650	857,174	(82,524)
Microenterprise Assistant Program	678	200,000	200,000	-
Clean Water Grant	679	50,000	49,358	642
Vehicle Charging Stations	680	17,158	29,332	(12,174)
1847 Crompond Road	681	254,762	259,453	(4,691)
2019 Parks	682	116,338	92,449	23,889
Bond Issuance Costs	BOND	832,080	803,858	28,222
Totals		\$ 58,235,204	\$ 57,510,299	\$ 724,905

See independent auditors' report.

Fund Balance (Deficit) At December 31, 2019	
Revenues	2019
\$ 1,732,196	\$ -
1,263,367	27,530
498,183	51,452
57,500	10,480
1,869,782	125,024
250,000	175,175
23,000	23,000
643,007	-
940,657	-
326,345	46,145
10,778	-
2,136	-
2,973,952	(265,400)
2,490,522	86,157
2,174,793	-
1,972,803	44,012
823,572	1,609
678,059	127,714
581,000	38,817
247,771	-
87,884	9,787
1,918,110	(76,400)
322,811	(6,606)
313,900	179
556,747	269,751
5,801	1,051
40,196	8,151
504,973	-
414,440	-
106,510	-
30,000	25,430
54,070	35,825
16,336,337	(1,574,512)
2,859,712	4,740
6,479,093	(1,970)
231,309	10,200
95,830	71,284
896,412	-
724,129	(15,993)
95,000	(2,383)
248,737	10,860
140,000	42,052
105,000	(103,500)
369,193	124,643
1,278,335	(495,416)
950,000	950,000
100,000	30,063
121,923	(35,259)
46,492	-
774,650	(82,524)
200,000	-
50,000	642
17,157	(12,175)
254,762	(4,691)
116,338	23,889
832,081	28,223
\$ 57,237,355	\$ (272,944)

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City of Peekskill, New York

Water Fund
 Comparative Balance Sheet
 December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 586,139	\$ 483,755
Receivables		
Accounts	176,277	-
Water rents	<u>1,940,940</u>	<u>1,946,411</u>
	<u>2,117,217</u>	<u>1,946,411</u>
Prepaid expenditures	98,911	63,314
Inventories	<u>237,088</u>	<u>214,370</u>
	<u>335,999</u>	<u>277,684</u>
Total Assets	<u>\$ 3,039,355</u>	<u>\$ 2,707,850</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 235,478	\$ 106,982
Accrued liabilities	61,439	20,884
Due to other funds	<u>902</u>	<u>58,450</u>
	<u>297,819</u>	<u>186,316</u>
Fund balance		
Nonspendable	335,999	277,684
Assigned	<u>2,405,537</u>	<u>2,243,850</u>
	<u>2,741,536</u>	<u>2,521,534</u>
Total Liabilities and Fund Balance	<u>\$ 3,039,355</u>	<u>\$ 2,707,850</u>

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,

2019				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 7,170,000	\$ 7,170,000	\$ 7,309,063	\$ 139,063
Sale of property and compensation for loss	-	-	176,277	176,277
Miscellaneous	15,000	15,000	23,457	8,457
Total Revenues	7,185,000	7,185,000	7,508,797	323,797
EXPENDITURES				
Current				
Home and community services	4,245,472	4,515,269	4,513,495	1,774
Debt service				
Principal	1,985,000	1,985,000	1,985,000	-
Interest	699,528	542,552	535,300	7,252
Total Expenditures	6,930,000	7,042,821	7,033,795	9,026
Excess of Revenues Over Expenditures	255,000	142,179	475,002	332,823
OTHER FINANCING USES				
Transfers out	(255,000)	(255,000)	(255,000)	-
Net Change in Fund Balance	-	(112,821)	220,002	332,823
FUND BALANCE				
Beginning of Year	-	112,821	2,521,534	2,408,713
End of Year	\$ -	\$ -	\$ 2,741,536	\$ 2,741,536

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 7,060,000	\$ 7,060,000	\$ 6,882,153	\$ (177,847)
<u>5,250</u>	<u>5,250</u>	<u>14,245</u>	<u>8,995</u>
<u>7,065,250</u>	<u>7,065,250</u>	<u>6,896,398</u>	<u>(168,852)</u>
4,247,077	4,381,030	3,955,835	425,195
<u>1,935,000</u>	<u>1,935,000</u>	<u>1,935,000</u>	<u>-</u>
<u>724,363</u>	<u>590,410</u>	<u>590,410</u>	<u>-</u>
<u>6,906,440</u>	<u>6,906,440</u>	<u>6,481,245</u>	<u>425,195</u>
158,810	158,810	415,153	256,343
<u>(240,000)</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>-</u>
<u>(81,190)</u>	<u>(81,190)</u>	<u>175,153</u>	<u>256,343</u>
<u>81,190</u>	<u>81,190</u>	<u>2,346,381</u>	<u>2,265,191</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,521,534</u>	<u>\$ 2,521,534</u>

City of Peekskill, New York

Section 8 Housing Fund
Comparative Balance Sheet
December 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 90,826	\$ 68,044
Prepaid expenditures	- <hr/>	22,147
Total Assets	\$ 90,826 <u> </u>	\$ 90,191 <u> </u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 1,685	\$ 313
Accrued liabilities	- <hr/>	9,601
Due to other funds	- <hr/>	210,937
Total Liabilities	1,685 <u> </u>	220,851 <u> </u>
Fund balance (deficit)		
Nonspendable	- <hr/>	22,147
Restricted	89,141 <hr/>	-
Unassigned	- <hr/>	(152,807)
Total Fund Balance (Deficit)	89,141 <u> </u>	(130,660) <u> </u>
Total Liabilities and Fund Balance (Deficit)	\$ 90,826 <u> </u>	\$ 90,191 <u> </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>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 4	\$ 144
Federal aid	7,854,938	6,958,791
Miscellaneous	<u>35,955</u>	<u>41,775</u>
 Total Revenues	 7,890,897	7,000,710
EXPENDITURES		
Current		
Home and community services	<u>7,671,096</u>	<u>7,281,403</u>
 Excess (Deficiency) of Revenues Over Expenditures	 219,801	(280,693)
OTHER FINANCING USES		
Transfers out	<u>-</u>	<u>(130,000)</u>
 Net Change in Fund Balance	 219,801	(410,693)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(130,660)</u>	<u>280,033</u>
 End of Year	 <u>\$ 89,141</u>	<u>\$ (130,660)</u>

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
 Combining Balance Sheet - Sub-Funds
 December 31, 2019
 (With Comparative Totals for 2018)

	Community Development	Urban County Consortium	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 1,832,816	\$ 101,601	\$ 1,934,417	\$ 1,826,145
Loans receivable	<u>924,363</u>	<u>-</u>	<u>924,363</u>	<u>1,103,504</u>
Total Assets	<u>\$ 2,757,179</u>	<u>\$ 101,601</u>	<u>\$ 2,858,780</u>	<u>\$ 2,929,649</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 924,363	\$ -	\$ 924,363	\$ 1,103,504
Fund balances				
Restricted	<u>1,832,816</u>	<u>101,601</u>	<u>1,934,417</u>	<u>1,826,145</u>
Total Liabilities and Fund Balances	<u>\$ 2,757,179</u>	<u>\$ 101,601</u>	<u>\$ 2,858,780</u>	<u>\$ 2,929,649</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, 2019

(With Comparative Totals for 2018)

	Community Development	Urban County Consortium	Totals	
			2019	2018
REVENUES				
Use of money and property	\$ 26,689	\$ 342	\$ 27,031	\$ 40,667
Federal aid	156,148	-	156,148	(690,459)
Miscellaneous	<u>23,093</u>	-	23,093	22,293
Total Revenues	205,930	342	206,272	(627,499)
EXPENDITURES				
Excess (Deficiency) of Revenues Over Expenditures	205,930	342	206,272	(627,499)
OTHER FINANCING USES				
Transfers out	-	(98,000)	(98,000)	(98,000)
Net Change in Fund Balances	205,930	(97,658)	108,272	(725,499)
FUND BALANCES				
Beginning of Year	<u>1,626,886</u>	<u>199,259</u>	<u>1,826,145</u>	<u>2,551,644</u>
End of Year	<u>\$ 1,832,816</u>	<u>\$ 101,601</u>	<u>\$ 1,934,417</u>	<u>\$ 1,826,145</u>

See independent auditors' report.

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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, 2019
 (With Comparative Totals for 2018)

	<u>Sewer</u>	<u>Recreation</u>	<u>Special Purpose</u>
ASSETS			
Cash and equivalents	<u>\$ 1,742,893</u>	<u>\$ 838,356</u>	<u>\$ 64,596</u>
Receivables			
Sewer rents	410,341	-	-
Due from other funds	-	-	-
	<u>410,341</u>	<u>-</u>	<u>-</u>
Prepaid expenditures	<u>52,467</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,205,701</u>	<u>\$ 838,356</u>	<u>\$ 64,596</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 28	\$ -	\$ -
Due to other funds	<u>150,902</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>150,930</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	52,467	-	-
Restricted	-	-	64,596
Committed	-	838,356	-
Assigned	<u>2,002,304</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,054,771</u>	<u>838,356</u>	<u>64,596</u>
Total Liabilities and Fund Balances	<u>\$ 2,205,701</u>	<u>\$ 838,356</u>	<u>\$ 64,596</u>

See independent auditors' report.

		Total Non-Major Governmental Funds	
Debt Service	Permanent	2019	2018
\$ 47,407	\$ 102,270	\$ 2,795,522	\$ 2,194,438
-	-	410,341	439,867
1,648	-	1,648	920,387
1,648	-	411,989	1,360,254
-	-	52,467	34,829
<u>\$ 49,055</u>	<u>\$ 102,270</u>	<u>\$ 3,259,978</u>	<u>\$ 3,589,521</u>
 \$ -	 \$ -	 \$ 28	 \$ 18,735
<u>49,055</u>	<u>-</u>	<u>199,957</u>	<u>200,000</u>
<u>49,055</u>	<u>-</u>	<u>199,985</u>	<u>218,735</u>
-	100,000	152,467	134,829
-	2,270	66,866	72,498
-	-	838,356	1,270,801
-	-	2,002,304	1,892,658
-	<u>102,270</u>	<u>3,059,993</u>	<u>3,370,786</u>
<u>\$ 49,055</u>	<u>\$ 102,270</u>	<u>\$ 3,259,978</u>	<u>\$ 3,589,521</u>

City of Peekskill, New York

Non-Major Governmental Funds

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

Year Ended December 31, 2019

(With Comparative Totals for 2018)

	<u>Sewer</u>	<u>Recreation</u>	<u>Special Purpose</u>
REVENUES			
Departmental income	\$ 1,528,107	\$ 49,550	\$ -
Use of money and property	-	7	-
Miscellaneous	-	-	40,724
Total Revenues	1,528,107	49,557	40,724
EXPENDITURES			
Current			
Culture and recreation	-	-	46,450
Home and community services	779,842	-	-
Debt service			
Principal	125,800	-	-
Interest	13,608	-	-
Total Expenditures	919,250	-	46,450
Excess (Deficiency) of Revenues Over Expenditures	608,857	49,557	(5,726)
OTHER FINANCING USES			
Transfers out	(455,000)	(482,002)	-
Total Other Financing Uses	(455,000)	(482,002)	-
Net Change in Fund Balances	153,857	(432,445)	(5,726)
FUND BALANCES			
Beginning of Year	1,900,914	1,270,801	70,322
End of Year	\$ 2,054,771	\$ 838,356	\$ 64,596

See independent auditors' report.

		Total Non-Major Governmental Funds	
Debt Service	Permanent	2019	2018
\$ -	\$ -	\$ 1,577,657	\$ 2,348,599
22,482	94	22,583	39,732
		40,724	86,023
<u>\$22,482</u>	<u>94</u>	<u>1,640,964</u>	<u>2,474,354</u>
		46,450	46,617
		779,842	990,385
		125,800	119,000
		13,608	16,057
		965,700	1,172,059
<u>22,482</u>	<u>94</u>	<u>675,264</u>	<u>1,302,295</u>
<u>(49,055)</u>	<u>-</u>	<u>(986,057)</u>	<u>(1,011,842)</u>
<u>(49,055)</u>	<u>-</u>	<u>(986,057)</u>	<u>(1,011,842)</u>
(26,573)	94	(310,793)	290,453
<u>26,573</u>	<u>102,176</u>	<u>3,370,786</u>	<u>3,080,333</u>
<u>\$ -</u>	<u>\$ 102,270</u>	<u>\$ 3,059,993</u>	<u>\$ 3,370,786</u>

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City of Peekskill, New York

Sewer Fund
 Comparative Balance Sheet
 December 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 1,742,893	\$ 1,644,953
Sewer rents receivables	410,341	439,867
Prepaid expenditures	52,467	34,829
 Total Assets	 \$ 2,205,701	 \$ 2,119,649
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 28	\$ 18,735
Due to other funds	150,902	200,000
 Total Liabilities	 150,930	 218,735
Fund balance		
Nonspendable	52,467	34,829
Assigned	2,002,304	1,866,085
 Total Fund Balance	 2,054,771	 1,900,914
 Total Liabilities and Fund Balance	 \$ 2,205,701	 \$ 2,119,649

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,

2019				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 1,665,000	\$ 1,665,000	\$ 1,528,107	\$ (136,893)
EXPENDITURES				
Current				
Home and community services	1,070,591	1,095,541	779,842	315,699
Debt service				
Principal	125,800	125,800	125,800	-
Interest	13,609	13,609	13,608	1
Total Expenditures	<u>1,210,000</u>	<u>1,234,950</u>	<u>919,250</u>	<u>315,700</u>
Excess of Revenues Over Expenditures	455,000	430,050	608,857	178,807
OTHER FINANCING USES				
Transfers out	<u>(455,000)</u>	<u>(455,000)</u>	<u>(455,000)</u>	<u>-</u>
Net Change in Fund Balance	-	(24,950)	153,857	178,807
FUND BALANCE				
Beginning of Year	-	24,950	1,900,914	1,875,964
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,054,771</u>	<u>\$ 2,054,771</u>

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,650,000	\$ 1,650,000	\$ 1,521,884	\$ (128,116)
1,054,679	1,054,679	990,385	64,294
119,000	119,000	119,000	-
16,057	16,057	16,057	-
<u>1,189,736</u>	<u>1,189,736</u>	<u>1,125,442</u>	<u>64,294</u>
460,264	460,264	396,442	(63,822)
(490,000)	(490,000)	(490,000)	-
(29,736)	(29,736)	(93,558)	(63,822)
<u>29,736</u>	<u>29,736</u>	<u>1,994,472</u>	<u>1,964,736</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900,914</u>	<u>\$ 1,900,914</u>

City of Peekskill, New York

Recreation Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 838,356	\$ 365,676
Due from other funds	- <hr/>	905,125 <hr/>
Total Assets	<u>\$ 838,356</u>	<u>\$ 1,270,801</u>
FUND BALANCE		
Committed	<u>\$ 838,356</u>	<u>\$ 1,270,801</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>2019</u>	<u>2018</u>
REVENUES		
Departmental income	\$ 49,550	\$ 826,715
Use of money and property	7	7
 Total Revenues	 49,557	 826,722
EXPENDITURES	-	-
 Excess of Revenues Over Expenditures	 49,557	 826,722
OTHER FINANCING USES		
Transfers out	(482,002)	(421,842)
 Net Change in Fund Balance	 (432,445)	 404,880
FUND BALANCE		
Beginning of Year	1,270,801	865,921
 End of Year	 \$ 838,356	 \$ 1,270,801

See independent auditors' report.

City of Peekskill, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2019	2018
ASSETS		
Cash and equivalents	<u>\$ 64,596</u>	<u>\$ 70,322</u>
FUND BALANCE		
Restricted	<u>\$ 64,596</u>	<u>\$ 70,322</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>2019</u>	<u>2018</u>
REVENUES		
Miscellaneous	\$ 40,724	\$ 44,328
EXPENDITURES		
Current		
Culture and recreation	<u>46,450</u>	<u>46,617</u>
Deficiency of Revenues Over Expenditures	(5,726)	(2,289)
FUND BALANCE		
Beginning of Year	<u>70,322</u>	<u>72,611</u>
End of Year	<u>\$ 64,596</u>	<u>\$ 70,322</u>

See independent auditors' report.

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City of Peekskill, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 47,407	\$ 11,311
Due from other funds	<u>1,648</u>	<u>15,262</u>
 Total Assets	 <u>\$ 49,055</u>	 <u>\$ 26,573</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 49,055	-
Fund Balance		
Assigned	<u>-</u>	<u>26,573</u>
 Total Liabilities and Fund Balance	 <u>\$ 49,055</u>	 <u>\$ 26,573</u>

See independent auditors' report.

City of Peekskill, New York

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

<u>2019</u>						
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)		
REVENUES						
Use of money and property	\$ -	\$ -	\$ 22,482	\$ 22,482		
Miscellaneous	-	-	-	-		
Total Revenues	-	-	22,482	22,482		
EXPENDITURES	-	-	-	-		
Excess of Revenues Over Expenditures	-	-	22,482	22,482		
OTHER FINANCING USES						
Transfers out	(100,000)	(100,000)	(49,055)	50,945		
Total Other Financing Uses	(100,000)	(100,000)	(49,055)	50,945		
Net Change in Fund Balance	(100,000)	(100,000)	(26,573)	73,427		
FUND BALANCE						
Beginning of Year	100,000	100,000	26,573	(73,427)		
End of Year	\$ -	\$ -	\$ -	\$ -		

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget
\$	\$	\$	Positive (Negative)
\$ -	\$ -	\$ 39,620	\$ 39,620
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,695</u>	<u>\$ 41,695</u>
		81,315	81,315
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u>81,315</u>	<u>81,315</u>
<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
(100,000)	(100,000)	(18,685)	81,315
<u>100,000</u>	<u>100,000</u>	<u>45,258</u>	<u>(54,742)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,573</u>	<u>\$ 26,573</u>

City of Peekskill, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 102,270</u>	<u>\$ 102,176</u>
FUND BALANCE		
Nonspendable	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Restricted	<u>2,270</u>	<u>2,176</u>
Total Fund Balance	<u>\$ 102,270</u>	<u>\$ 102,176</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>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 94	\$ 105
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	94	105
FUND BALANCE		
Beginning of Year	<u>102,176</u>	<u>102,071</u>
End of Year	<u>\$ 102,270</u>	<u>\$ 102,176</u>

See independent auditors' report.

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**STATISTICAL SECTION
(UNAUDITED)**

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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**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 17,290,136	\$ 18,282,052	\$ 23,747,284	\$ 26,472,465
Restricted	16,812,761	15,801,388	11,663,272	9,870,336
Unrestricted	(2,046,306)	(9,023,866)	(14,225,278)	(19,108,958)
Total Governmental Activities				
Net Position	<u>\$ 32,056,591</u>	<u>\$ 25,059,574</u>	<u>\$ 21,185,278</u>	<u>\$ 17,233,843</u>

2014	2015	2016	2017	2018	2019
\$ 33,093,116	\$ 39,962,538	\$ 40,538,429	\$ 39,200,050	\$ 51,480,424	\$ 59,435,215
10,388,723	8,960,394	11,808,737	12,084,931	12,563,409	9,869,540
(24,047,541)	(17,426,533)	(15,856,956)	(18,342,178)	(155,517,882)	(157,133,334)
<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>

City of Peekskill, New York

Changes In Net Position
Last Ten Fiscal Years

	2010	2011	2012	2013
EXPENSES				
Government activities				
General government support	\$ 6,477,712	\$ 7,038,267	\$ 6,292,403	\$ 7,856,347
Public safety	17,824,340	19,506,458	19,232,215	18,202,444
Health	273,034	279,184	264,979	209,327
Transportation	4,528,859	4,650,520	3,953,086	3,182,830
Economic opportunity and development	662,433	688,606	629,777	598,444
Culture and recreation	5,586,624	4,622,774	4,614,755	3,791,401
Home and community services	16,018,049	17,670,033	17,174,960	15,666,450
Interest	<u>1,696,693</u>	<u>1,889,294</u>	<u>1,946,318</u>	<u>1,986,412</u>
Total Governmental Activities Expenses	<u>53,067,744</u>	<u>56,345,136</u>	<u>54,108,493</u>	<u>51,493,655</u>
PROGRAM REVENUES				
Charges for Services				
General government support	394,100	647,337	573,704	553,420
Public safety	1,024,649	854,709	847,964	861,232
Health	7,460	23,003	-	36,907
Transportation	957,771	941,783	1,065,133	968,734
Economic opportunity and development	-	-	-	-
Culture and recreation	365,662	387,889	420,920	462,710
Home and community services	10,238,539	9,554,843	10,807,097	8,376,435
Operating Grants and Contributions	9,428,899	9,061,281	8,941,043	8,154,088
Capital Grants and Contributions	<u>1,775,559</u>	<u>1,949,358</u>	<u>372,919</u>	<u>550,326</u>
Total Program Revenues	<u>24,192,639</u>	<u>23,420,203</u>	<u>23,028,780</u>	<u>19,963,852</u>
Governmental Activities Net Expense	<u>(28,875,105)</u>	<u>(32,924,933)</u>	<u>(31,079,713)</u>	<u>(31,529,803)</u>
GENERAL REVENUES				
Real property taxes	13,409,454	13,601,023	14,128,658	14,676,951
Other tax items				
Interest and penalties on real property taxes	247,311	789,802	546,492	298,658
Gain on sale of tax acquired property	-	-	900	-
Payments in lieu of taxes	5,175,648	4,883,554	5,460,776	5,411,748
Real estate transfer tax	-	235,285	518,233	510,277
Non-property taxes	3,562,223	3,728,611	3,707,160	3,953,649
Unrestricted Use of Money and Property	32,374	34,160	3,726	4,023
Sale of property and compensation for loss	4,351	20,976	16,458	28,238
Unrestricted State aid	2,612,869	2,455,379	2,527,137	2,556,653
Miscellaneous	186,097	6,352	103,378	34,405
Insurance recoveries	<u>170,532</u>	<u>172,774</u>	<u>192,499</u>	<u>103,766</u>
Total General Revenue	<u>25,400,859</u>	<u>25,927,916</u>	<u>27,205,417</u>	<u>27,578,368</u>
Change in Net Position	<u>\$ (3,474,246)</u>	<u>\$ (6,997,017)</u>	<u>\$ (3,874,296)</u>	<u>\$ (3,951,435)</u>

	2014	2015	2016	2017	2018	2019
\$	6,062,692	\$ 5,140,331	\$ 6,002,382	\$ 7,310,424	\$ 6,489,230	\$ 6,766,349
18,292,112	16,733,521	18,784,621	21,404,266	21,920,857	22,530,130	
252,607	225,287	141,690	209,569	372,518	383,494	
3,205,170	3,275,094	3,623,895	3,773,902	4,398,478	4,273,190	
511,833	506,821	509,346	502,648	621,237	654,484	
4,167,688	3,660,152	4,051,246	5,170,211	4,003,911	4,568,707	
15,456,148	15,989,104	16,993,080	16,038,191	16,107,984	17,409,147	
2,048,315	1,763,417	1,620,308	1,669,286	1,626,388	1,458,583	
	<u>49,996,565</u>	<u>47,293,727</u>	<u>51,726,568</u>	<u>56,078,497</u>	<u>55,540,603</u>	<u>58,044,084</u>
578,462	775,078	574,543	622,453	2,625,479	2,431,620	
952,023	978,547	1,874,969	1,882,298	1,332,334	1,368,075	
6,334	14,425	31,912	102,334	11,918	116,990	
951,587	1,004,950	1,226,441	1,218,229	1,259,735	1,229,661	
				134,526	124,246	
431,161	432,777	466,175	463,799	1,294,312	620,311	
9,992,915	10,293,121	10,518,265	10,824,586	9,492,715	9,604,945	
7,099,885	7,924,609	7,341,583	7,774,164	7,669,366	9,288,103	
3,442,307	7,184,087	1,831,080	1,768,803	1,760,746	2,844,445	
	<u>23,454,674</u>	<u>28,607,594</u>	<u>23,864,968</u>	<u>24,656,666</u>	<u>25,581,131</u>	<u>27,628,396</u>
(26,541,891)	(18,686,133)	(27,861,600)	(31,421,831)	(29,959,472)	(30,415,688)	
14,764,723	15,221,101	15,929,281	16,188,524	16,800,462	17,076,412	
321,244	881,081	343,896	418,474	354,854	424,781	
312,227	63,240	-	679,200	571,355	591,185	
5,672,087	5,657,336	5,832,758	6,056,752	6,236,721	6,446,712	
593,583	1,389,828	964,177	1,308,940	1,450,932	1,431,376	
4,163,848	4,156,767	4,221,507	4,223,139	4,656,721	5,046,559	
4,286	3,436	3,650	8,556	29,080	82,982	
28,130	65,656	30,173	12,903	25,469	72,229	
2,486,837	2,629,272	2,571,742	2,614,060	2,731,477	2,798,015	
180,357	300,781	107,105	279,221	83,308	36,042	
215,024	193,316	197,548	74,516	130,608	54,865	
	<u>28,742,346</u>	<u>30,561,814</u>	<u>30,201,837</u>	<u>31,864,285</u>	<u>33,070,987</u>	<u>34,061,158</u>
\$ 2,200,455	\$ 11,875,681	\$ 2,340,237	\$ 442,454	\$ 3,111,515	\$ 3,645,470	

City of Peekskill, New York

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Nonspendable	\$ -	\$ 1,034,576	\$ 1,691,825	\$ 2,100,922	\$ 2,078,498
Restricted	-	1,645,184	2,310,128	3,096,163	3,115,738
Committed	-	973,975	973,975	937,975	937,975
Assigned	-	2,300,864	2,213,264	261,911	705,097
Unassigned	-	2,762,856	7,556	803,192	496,988
Reserved	3,527,591	-	-	-	-
Unreserved	<u>6,820,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	\$ 10,348,401	\$ 8,717,455	\$ 7,196,748	\$ 7,200,163	\$ 7,334,296
All Other Governmental Funds					
Nonspendable	-	247,342	207,192	181,930	184,321
Restricted	-	10,146,736	8,927,043	14,414,786	9,762,026
Committed	-	598,180	552,961	500,789	500,793
Assigned	-	510,470	43,980	216,600	351,700
Unassigned	-	-	-	-	-
Reserved	800,073	-	-	-	-
Unreserved, Reported in Major Funds	7,387,164	5,490,025	5,674,688	3,963,513	3,271,799
Non Major Funds	<u>6,334,369</u>	<u>4,870,062</u>	<u>4,595,222</u>	<u>4,339,966</u>	<u>4,550,695</u>
Total All Other Governmental Funds	\$ 14,521,606	\$ 21,862,815	\$ 20,001,086	\$ 23,617,584	\$ 18,621,334
Total Governmental Funds	\$ 24,870,007	\$ 30,580,270	\$ 27,197,834	\$ 30,817,747	\$ 25,955,630

(1) Components of fund balance were reclassified with the December 31, 2011 implementation of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

	2015	2016	2017	2018	2019
\$	1,634,045	\$ 1,309,354	\$ 1,663,303	\$ 1,535,350	\$ 1,358,529
3,098,483	6,882,176	8,410,442	8,609,430	8,376,139	
1,783,975	2,783,975	873,975	873,975	873,975	
969,224	533,141	1,669,275	1,954,746	1,871,935	
1,590,953	2,625,782	2,826,512	3,339,464	4,802,441	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ 9,076,680</u>	<u>\$ 14,134,428</u>	<u>\$ 15,443,507</u>	<u>\$ 16,312,965</u>	<u>\$ 17,283,019</u>	
232,374	193,809	342,978	434,660	488,466	
4,063,447	115,617	6,754,259	72,498	2,090,424	
493,891	777,390	865,921	1,270,801	838,356	
194,465	7,019,021	6,974,810	5,962,653	4,407,841	
-	(539,655)	-	(432,883)	(272,944)	
-	-	-	-	-	
3,164,483	-	-	-	-	
4,601,609	-	-	-	-	
<u>\$ 12,750,269</u>	<u>\$ 7,566,182</u>	<u>\$ 14,937,968</u>	<u>\$ 7,307,729</u>	<u>\$ 7,552,143</u>	
<u>\$ 21,826,949</u>	<u>\$ 21,700,610</u>	<u>\$ 30,381,475</u>	<u>\$ 23,620,694</u>	<u>\$ 24,835,162</u>	

City of Peekskill, New York

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2010	2011	2012	2013
REVENUES				
Real property taxes	\$ 12,954,313	\$ 14,350,057	\$ 14,264,604	\$ 14,614,316
Other tax items	5,422,959	5,908,641	6,526,401	6,220,683
Non-property taxes	3,562,223	3,728,611	3,707,160	3,953,649
Departmental income	11,540,858	11,233,705	12,364,268	9,899,512
Charges for Service	257,621	200,912	303,200	222,949
Use of money and property	350,839	338,865	299,247	389,504
Changes in fair value of investments	-	-	-	-
Licenses and permits	293,778	203,966	314,315	308,719
Fines and forfeitures	802,977	685,307	626,699	654,355
Sale of property and compensation for loss	14,551	20,976	16,458	28,238
State aid	4,826,933	3,965,616	2,914,047	2,999,878
Federal aid	8,316,944	8,594,991	7,655,429	7,401,063
Miscellaneous	616,675	701,544	685,816	670,438
Total Revenues	48,960,671	49,933,191	49,677,644	47,363,304
EXPENDITURES				
Current				
General government support	4,646,607	5,977,400	5,816,433	6,692,018
Public safety	15,055,446	16,979,712	15,887,617	15,269,053
Health	238,962	279,164	264,979	209,327
Transportation	2,968,700	2,840,950	2,750,260	2,423,946
Economic opportunity and development	662,433	688,606	556,599	544,093
Culture and recreation	4,725,001	3,741,239	3,356,754	2,977,768
Home and community services	13,988,335	15,738,481	16,024,415	14,424,989
Employee benefits	285,367	916,913	2,390,021	2,517,379
Debt service				
Principal	3,217,070	3,312,173	3,780,621	5,123,745
Interest	1,772,755	1,910,597	1,978,578	1,897,021
Refunding bond issuance costs	90,772	-	-	-
Advance refunding escrow	-	-	-	-
Capital outlay	5,289,727	3,690,967	2,577,432	3,481,518
Total Expenditures	52,941,175	56,076,202	55,383,709	55,560,857
Excess (Deficiency) of Revenues Over Expenditures	(3,980,504)	(6,143,011)	(5,706,065)	(8,197,553)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,597,224	2,244,572	1,077,032	918,218
Transfers out	(4,597,224)	(2,244,572)	(1,077,032)	(918,218)
Insurance recoveries	170,532	172,774	192,499	103,766
Bonds issued	-	11,680,500	-	11,713,700
Refunding bonds issued	3,705,000	-	-	-
Payment to refunded bond escrow agent	(3,823,601)	-	-	-
Issuance premium	209,373	-	-	-
Notes issued	498,961	-	703,130	-
Bond anticipation notes issued	-	-	1,428,000	-
Total Other Financing Sources (Uses)	760,265	11,853,274	2,323,629	11,817,466
Net Change in Fund Balances	\$ (3,220,239)	\$ 5,710,263	\$ (3,382,436)	\$ 3,619,913
Debt Service as a Percentage of Non-Capital Expenditures	10.9%	10.3%	11.9%	15.5%

2014	2015	2016	2017	2018	2019
\$ 14,057,239	\$ 15,496,328	\$ 16,328,161	\$ 16,285,502	\$ 16,710,244	\$ 16,946,996
6,899,141	7,991,485	7,140,831	8,463,366	8,613,862	8,894,054
4,163,848	4,156,767	4,221,507	4,223,139	4,656,721	5,046,559
11,420,772	11,969,556	12,738,828	12,889,756	13,662,068	13,364,814
195,000	235,000	230,000	177,452	172,106	234,651
384,863	357,041	413,543	422,429	273,964	870,545
-	-	77,152	263,652	-	-
372,919	466,504	1,035,930	915,930	924,471	477,738
712,212	674,840	875,113	870,796	1,083,346	974,223
28,130	65,656	30,173	12,903	25,469	248,506
6,008,711	7,510,427	4,362,086	4,021,034	4,510,909	4,750,980
6,407,808	7,276,203	6,301,710	7,047,453	6,544,748	9,249,115
557,520	3,086,869	503,400	971,229	440,331	499,123
<u>51,208,163</u>	<u>59,286,676</u>	<u>54,258,434</u>	<u>56,564,641</u>	<u>57,618,239</u>	<u>61,557,304</u>
 4,428,898	 3,981,018	 3,785,707	 4,310,310	 4,256,940	 4,380,526
12,129,990	11,999,014	12,300,725	12,726,377	13,088,165	12,774,010
252,607	225,287	136,060	209,569	297,125	266,499
2,196,806	2,370,074	2,226,156	2,386,106	2,579,699	2,552,059
450,117	431,911	428,847	435,518	553,459	573,087
2,630,915	2,580,986	2,374,962	2,551,522	2,552,370	2,759,423
13,106,985	13,165,156	13,519,608	13,478,566	14,463,633	15,511,396
8,324,724	8,786,602	9,472,407	9,895,700	10,527,985	10,586,830
 3,916,797	 4,779,256	 3,921,776	 4,051,898	 4,721,904	 4,810,183
2,189,428	1,783,212	1,578,945	1,515,780	1,543,257	1,377,695
80,137	416,888	-	388,148	-	-
-	1,963,950	-	-	-	-
8,042,065	11,542,207	7,520,802	11,531,935	9,925,091	4,884,938
<u>57,749,469</u>	<u>64,025,561</u>	<u>57,265,995</u>	<u>63,481,429</u>	<u>64,509,628</u>	<u>60,476,646</u>
<u>(6,541,306)</u>	<u>(4,738,885)</u>	<u>(3,007,561)</u>	<u>(6,916,788)</u>	<u>(6,891,389)</u>	<u>1,080,658</u>
 1,445,166	 1,754,939	 1,841,758	 2,573,749	 2,179,842	 2,749,057
(1,445,166)	(1,754,939)	(1,841,758)	(2,573,749)	(2,179,842)	(2,749,057)
309,787	193,316	197,548	74,516	130,608	54,865
-	-	-	14,610,000	-	-
3,270,000	26,125,000	-	12,810,000	-	-
(3,298,007)	(25,708,112)	-	(12,663,805)	-	-
108,144	-	30,100	241,953	-	-
189,265	-	-	524,989	-	78,945
1,100,000	-	-	-	-	-
<u>1,679,189</u>	<u>610,204</u>	<u>227,648</u>	<u>15,597,653</u>	<u>130,608</u>	<u>133,810</u>
<u>\$ (4,862,117)</u>	<u>\$ (4,128,681)</u>	<u>\$ (2,779,913)</u>	<u>\$ 8,680,865</u>	<u>\$ (6,760,781)</u>	<u>\$ 1,214,468</u>

13.8%

14.2%

10.8%

10.3%

11.4%

11.1%

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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

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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
2010	\$ 63,807,367	3.50	\$ 1,823,067,629	247.82 %
2011	62,582,709	3.72	1,682,330,887	248.28
2012	62,499,541	3.85	1,623,364,701	254.19
2013	61,883,593	4.28	1,445,878,341	261.15
2014	62,230,640	3.97	1,567,522,418	272.97
2015	61,684,149	3.73	1,653,730,536	277.82
2016	61,858,233	3.65	1,694,746,110	299.31
2017	61,954,468	3.48	1,780,300,805	301.85
2018	62,695,197	3.56	1,761,101,039	309.35
2019	63,008,534	3.18	1,981,400,440	315.19

(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 (3)	Overlapping Rates						
		Westchester County			Peekskill School District	Hendrick Hudson School District		Hudson School Library
		Operating	Sewer Districts	Refuse Disposal District		Hudson	Hudson	
2010	\$ 247.82	\$ 97.51	\$ 12.62	\$ 9.22	\$ 562.49	\$ 473.14	\$ 9.61	
2011	248.28	102.11	13.21	9.76	583.37	495.24		9.78
2012	254.19	96.60	12.75	9.38	598.13	494.87		9.78
2013	261.15	95.95	12.77	9.47	660.22	472.35		9.33
2014	272.97	93.70	13.58	9.13	668.78	468.95		9.41
2015	277.82	86.01	14.88	8.04	688.51	468.44		9.57
2016	299.31	89.94	18.88	8.22	698.82	486.10		10.08
2017	301.85	89.64	18.83	8.08	703.75	476.69		10.28
2018	309.35	92.37	18.80	8.11	712.15	497.02		11.48
2019	315.19	88.90	20.51	7.51	724.17	476.54		11.20

City of Peekskill, New York

Principal Taxpayers

Current Year and Nine Years Ago

2019					
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation	
1	Consolidated Edison	Utility	\$ 3,375,000	5.38 %	
2	Beach Improvements	Shopping Center	980,000	1.56	
3	Crompond Apt Owners	Co-Op Apartments	563,600	0.90	
4	Crossroads Assoc LLC	Apts & Vac Land	515,600	0.82	
5	Peekskill Towers Corp	Co-Op Apartments	412,000	0.66	
6	River Ridge Owners Corp	Co-Op Apartments	390,000	0.62	
7	Hudson Fee LLC	Co-Op Apartments	345,000	0.55	
8	Hampton Oaks, Inc	Apartments	330,000	0.53	
9	1201 Main Street	Shopping Center	308,000	0.49	
10	Commons Owner Corp	Co-Op Apartments	276,600	0.44	
			\$ 7,495,800		11.95 %

2010					
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation	
1	Consolidated Edison	Utility	\$ 2,627,134	4.12 %	
2	Mearl Corp	Manufacturer	1,462,000	2.29	
3	Beach Improvements	Shopping Center	960,000	1.50	
4	Crompond Apt Owners	Co-Op Apartments	895,277	1.40	
5	Crossroads Assoc LLC	Apts & Vac Land	782,520	1.23	
6	Hampton Oaks, Inc	Apartments	480,000	0.75	
7	Peekskill Towers Corp	Co-Op Apartments	454,606	0.71	
8	Morgan Patricia Gardens, LLC	Co-Op Apartments	310,000	0.49	
9	Commons Owner Corp	Co-Op Apartments	308,380	0.48	
10	River Ridge Owners Corp	Co-Op Apartments	310,000	0.49	
			\$ 8,589,917		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
2010	\$ 13,496,730	\$ 12,695,393	94.06 %	\$ 801,337	\$ 13,496,730	100.00 %
2011	13,631,697	13,150,387	96.47	481,310	13,631,697	100.00
2012	13,966,276	13,502,720	96.68	463,556	13,966,276	100.00
2013	14,500,000	14,050,614	96.90	449,386	14,500,000	100.00
2014	14,740,700	14,283,138	96.90	457,562	14,740,700	100.00
2015	15,170,000	14,840,182	97.83	329,818	15,170,000	100.00
2016	16,000,000	15,621,802	97.64	378,198	15,993,610	99.96
2017	16,152,000	15,781,281	97.70	370,719	15,972,347	98.89
2018	16,650,000	16,064,479	96.48	585,521	15,834,150	95.10
2019	16,990,000	16,482,207	97.01	507,793	16,795,263	98.85

Source: City of Peekskill Finance Department; collections as of May 2, 2020

Debt Capacity

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

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

City of Peekskill, New York

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Notes Payable	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (1)	Percentage Personal Income (1)
2010	\$ 48,860,772	\$ 447,466	\$ 49,308,238	2.70 %	\$ 2,091	7.03 %
2011	57,371,876	383,293	57,755,169	3.43	2,401	8.08
2012	53,864,553	994,302	54,858,855	3.38	2,280	7.67
2013	62,048,343	798,557	62,846,900	4.35	2,620	8.81
2014	59,553,577	790,025	60,343,602	3.85	2,508	8.44
2015	55,015,951	445,469	55,461,420	3.35	2,272	7.65
2016	51,274,025	223,693	51,497,718	3.04	2,142	7.09
2017	62,656,422	496,784	63,153,206	3.55	2,626	8.54
2018	58,091,880	314,880	58,406,760	3.32	2,406	7.81
2019	53,414,344	238,642	53,652,986	2.71	2,235	7.19

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

(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

City of Peekskill, New York

Direct and Overlapping Governmental Activities Debt **December 31, 2019**

<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	\$ 1,249,372,639	62.9%	\$ 19,853,811
School Districts (June 30, 2019)			
Peekskill School District	47,744,931	100%	47,744,931
Net Overlapping Debt			67,598,742
City Direct Debt			<u>53,652,986</u>
Net Direct and Overlapping Debt			<u>\$ 121,251,728</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**

	2010	2011	2012	2013
Debt Limit	\$ 145,835,058	\$ 141,369,834	\$ 131,461,917	\$ 121,756,966
Total Net Debt Applicable to Limit	<u>48,971,000</u>	<u>57,403,000</u>	<u>55,143,000</u>	<u>61,928,000</u>
Legal Debt Margin	<u>\$ 96,864,058</u>	<u>\$ 83,966,834</u>	<u>\$ 76,318,917</u>	<u>\$ 59,828,966</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.58%	40.60%	41.95%	50.86%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessment Roll		State Special Equalization Ratio			Full Valuation
Year	Budget Year	Assessed Valuation			
2018	2019	\$ 62,628,143	3.56	% \$	1,759,217,500
2017	2018	62,393,182	3.48		1,792,907,529
2016	2017	61,858,233	3.65		1,694,746,110
2015	2016	61,684,149	3.73		1,653,730,536
2014	2015	62,874,456	3.97		1,583,739,446
Total Five Year Full Valuation				\$	<u>8,484,341,121</u>
Five Year Average Full Valuation of Taxable Real Property					<u>1,696,868,224</u>
Debt Limit - 7% of Five Year Average Full Valuation					<u>118,780,776</u>
Outstanding City Debt					
Serial Bonds					53,414,344
Bond Anticipation Notes					-
Net Indebtedness Subject to Debt Limit					<u>53,414,344</u>
Net Debt Contracting Margin				\$	<u>65,366,432</u>

2014	2015	2016	2017	2018	2019
\$ 114,144,271	\$ 111,619,576	\$ 111,793,389	\$ 113,580,495	\$ 118,403,613	\$ 118,780,776
<u>59,355,700</u>	<u>55,015,951</u>	<u>51,274,025</u>	<u>62,955,000</u>	<u>58,215,000</u>	<u>53,414,344</u>
<u><u>\$ 54,788,571</u></u>	<u><u>\$ 56,603,625</u></u>	<u><u>\$ 60,519,364</u></u>	<u><u>\$ 50,625,495</u></u>	<u><u>\$ 60,188,613</u></u>	<u><u>\$ 65,366,432</u></u>

52.00%

49.29%

45.86%

55.43%

49.17%

44.97%

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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

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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)
2010	23,583	35.0	\$ 700,957,509	\$ 29,723	\$ 51,961	\$ 51,961	7.0 %
2011	24,058	35.0	715,075,934	29,723	51,961	51,961	6.8
2012	24,058	35.0	715,075,934	29,723	51,961	51,961	4.6
2013	23,988	35.0	712,995,324	29,723	51,961	51,961	5.2
2014	24,058	35.0	714,570,716	29,702	51,961	51,961	4.6
2015	24,409	35.0	724,996,118	29,702	51,961	51,961	4.0
2016	24,043	35.0	726,098,600	30,200	52,125	52,125	4.9
2017	24,053	35.0	739,293,008	30,736	55,453	55,453	4.7
2018	24,272	35.0	747,698,960	30,805	54,839	54,839	5.8
2019	24,008	39.3	746,048,600	31,075	54,494	54,494	3.7

Sources: (1) U.S. Bureau of Census (2010 Census for 2019-2014); Censusreporter.org
(2) New York State Department of Labor - unemployment rates not seasonally adjusted.

City of Peekskill, New York

**Major Private Sector Employers in the Area
Current Year and Nine Years Ago**

2019			
Taxpayer	Type of Business	Employees	Percentage of Total Employment
NY Presbyterian - Hudson Valley	Health Services	1,300	16.05 %
Entergy Northeast	Indian Point Power Plant	1,000	12.35
White Plains Linen	Linen Rental	520	6.42
BASF Corp	Manufacturer	187	2.31
Cortland Health Care	Health Services	171	2.11
Mines Press	Commercial Printing	175	2.16
Emerald Peek Rehabilitation	Health Services	125	1.54
Hudson Hospitality Group	Food and Beverage	125	1.54
D. Bertolini & Sons Inc	Food and Beverage	115	1.42
Continental Buchannan	Manufacturing	100	1.23
		3,718	45.90 %
2010			
Taxpayer	Type of Business	Employees	Percentage of Total Employment
Entergy Northeast	Indian Point Power Plant	1,400	18.42 %
Hudson Valley Hospital Center	Health Services	700	9.21
White Plains Linen	Linen Rental	450	5.92
BASF Corp	Manufacturer	250	3.29
Hudson River Health Care	Health Services	200	2.63
West Ledge Nursing Home	Health Services	150	1.97
Mines Press	Commercial Printing	120	1.58
D. Bertoline & Sons, Inc	Food and Beverage	105	1.38
Frank & Lindy Plumbing	Plumbing Contractor	85	1.12
Wheelabrator Westchester LLP	Solid Waste Disposal	66	0.87
		3,526	46.39 %

Source: City of Peekskill Finance Department

Operating Information

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

Full-Time Equivalent City Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Peekskill, New York

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

Function	Full-time Equivalent Employees as of December 31,				
	2010	2011	2012	2013	2014
General Government	96	93	96	84	84
Public Safety	95	92	95	86	84
Transportation	14	14	14	12	12
Economic Opportunity and Development	9	9	9	7	7
Culture and Recreation	20	21	21	19	19
Home and Community Services	24	23	24	19	19
Central Garage	6	5	6	4	4
Total	264	257	265	231	229

Source: City of Peekskill Finance Department

2015	2016	2017	2018	2019
84	83	80	80	80
84	84	83	83	83
12	12	12	13	13
7	7	7	7	7
19	19	18	19	19
19	19	17	18	18
4	4	4	4	4
229	228	221	224	224

City of Peekskill, New York

**Operating Indicators By Function/Program
Last Ten Fiscal Years**

	2010	2011	2012	2013
GENERAL GOVERNMENT SUPPORT				
Basic STAR applications	3,700	3,548	3,541	3,521
Enhanced STAR applications	599	658	652	648
Vital statistic certificates issued	N/A	1,012	1,068	1,084
PUBLIC SAFETY				
Police				
Calls for service	23,690	22,284	22,816	24,549
Part I crimes	263	253	258	278
Physical arrests	1,836	1,320	1,570	1,507
Parking summonses issued	12,162	9,752	11,027	8,190
Traffic violations issued	2,760	3,017	3,906	4,779
Fire				
Calls for service	3,418	3,271	3,310	3,269
Transportation				
Street lights replaced	20	20	16	18
Street signs replaced	150	125	125	550
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Elderly nutrition meals served	36,907	37,279	36,910	37,283
CULTURE AND RECREATION				
Playgrounds	7	7	7	7
Baseball/Softball	5	5	5	5
Basketball courts	4	4	4	4
Tennis courts	5	5	5	5
Pool passes issued	1,237	2,359	1,796	1,551
Summer youth employment workers	155	145	146	144
HOME AND COMMUNITY SERVICES				
Tons of trash collected	8,674	8,592	7,931	7,535
Tons of material recycled	1,620	1,574	1,552	1,201
Tons of leaves/yard waste recycled	1,326	2,084	1,298	1,622
Storm water catch basins cleaned	350	400	350	365
Building, plumbing and related permits issued	950	960	900	1,000
Building inspections conducted	2,056	2,970	2,574	1,934
Number of sewer pumping stations	8	8	8	8
Miles of sanitary sewers	52	52	52	52

Sources: Various City departments

2014	2015	2016	2017	2018	2019
3,090	3,080	2,934	2,766	2,353	2,326
647	650	655	622	605	628
914	1,051	1,920	1,094	1,250	965
25,494	27,650	29,236	32,416	34,394	39,523
241	322	197	210	272	239
1,499	1,345	1,531	1,313	1,257	1,171
9,210	10,905	19,369	15,461	17,348	17,842
4,220	4,542	4,587	4,666	4,121	4,479
3,162	2,978	3,162	2,732	2,389	2,448
18	20	1,100	20	12	-
325	275	300	250	275	300
36,914	37,667	37,294	37,671	38,682	42,834
7	7	7	7	7	7
5	5	5	5	5	5
4	4	4	4	4	4
5	5	5	5	5	5
1,189	1,707	1,764	1,990	2,115	1,883
131	134	147	134	145	170
7,657	7,289	7,851	8,113	7,761	8,539
1,369	1,351	2,808	4,112	4,344	4,751
3,652	2,159	1,041	1,298	1,644	3,095
325	345	300	275	475	346
1,000	1,100	1,128	1,228	1,341	2,503
2,196	3,945	3,678	2,907	3,125	9,612
8	8	8	8	8	8
52	52	52	52	52	52

City of Peekskill, New York

**Capital Assets Statistics By Function/Program
Last Ten Fiscal Years**

	2010	2011	2012	2013
GENERAL GOVERNMENT SUPPORT				
Number of general government buildings	15	15	15	15
PUBLIC SAFETY				
Number of police stations	1	1	1	1
Number of fire stations	6	6	6	6
Number of traffic signals	31	31	31	31
TRANSPORTATION				
Miles of streets (paved)	106	106	106	106
Number of street lights	1,600	1,600	1,600	1,600
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Number of Senior Citizen Centers	1	1	1	1
CULTURE AND RECREATION				
Number of parks	19	19	19	19
Acres of parks and recreation area	300	300	300	300
Number of swimming pools	1	1	1	1
HOME AND COMMUNITY SERVICES				
Number of fire hydrants	575	575	575	575
Miles of sanitary sewers	52	52	52	52
Miles of storm drains	48	48	48	48
Water mains	59	59	59	59
PARKING FACILITIES				
Number of parking structures	2	2	2	2
Number of parking lots	14	14	14	14
Parking permits issued	4,988	6,856	7,013	6,903

Sources: Various City departments

N/A - Information not available

2014	2015	2016	2017	2018	2019
15	15	15	15	15	11
1	1	1	1	1	1
6	6	6	6	6	1
31	31	31	31	31	31
106	106	110	110	110	110
1,600	1,600	1,589	1,589	1,609	1,609
1	1	1	1	1	1
19	19	19	19	19	19
300	300	300	300	300	300
1	1	1	1	1	1
575	575	575	575	580	580
52	52	52	52	52	52
48	48	48	48	48	48
59	59	59	59	59	59
2	2	2	2	2	2
14	14	14	15	15	15
6,682	7,085	7,215	5,937	6,054	7,687

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FEDERAL AWARDS

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

Independent Auditors' Report

**The Honorable 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 8, 2020.

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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 8, 2020



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Peekskill, New York's ("City") compliance with the types of compliance requirements described 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, 2019. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

However we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

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

June 8, 2020

City of Peekskill, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs				
Section 8 Housing Choice Vouchers Program	14.871	n/a	\$ -	\$ 7,671,096
Indirect Program Passed through New York State Home & Community Renewal Office of Community Renewal				
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	1523PR168-16	\$ -	\$ 659,226
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	1523WC-PR220-15	-	105,102
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	1523ME108-16	-	47,500
			-	811,828
Total U.S. Department of Housing and Urban Development			-	8,482,924
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
Drug Free Communities Support Program	93.276	n/a	-	131,457
Indirect Program - Passed through Westchester County -				
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	n/a	-	126,864
Total U.S. Department of Health and Human Services			-	258,321
<u>U.S. Department of Labor</u>				
Indirect Program - Passed through Westchester County				
YouthBuild	17.274	n/a	-	81,258
Total U.S. Department of Labor			-	81,258
Total			\$ -	\$ 8,822,503

(1) Catalog of Federal Domestic Assistance number.

n/a - Not available

The accompanying notes are an integral part of this schedule.

City of Peekskill, New York

Notes to Schedule of Expenditures of Federal Awards

December 31, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Peekskill ("City") under programs of the federal government for the year ended December 31, 2019. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, 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. Pass-through identifying numbers are presented where applicable.

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, 2019

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 that are not considered to be material weaknesses?

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 that are not considered to be material weakness(es)?

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:

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Voucher Program

14.228

Community Development Block Grant/State's Program
and Non-Entitlement Grants in Hawaii

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, 2019

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2019-001: Filing to Financial Assessment Subsystem Specified by HUD

Federal Agency: U.S Department of Housing and Urban Development
CFDA 14.871, Section 8 Housing Choice Vouchers
Award year: January 1, 2018 through December 31, 2018

Criteria:

It is the City's responsibility to file an accurate electronic submission with the Real Estate Assessment Center ("REAC"). Public Housing Authorities ("PHAs") are required to submit their fiscal year end ("FYE") financial information to Housing and Urban Development ("HUD") through the Financial Assessment Subsystem for Public Housing ("FASS-PH"). Unaudited submissions are due no later than 2 months after the PHA's FYE; for those entities required to have an audit, the submissions are due 9 months after the PHA's FYE. PHA's are required to submit their financial information through the FASS-PH system.

Condition:

The City has not filed audited information for fiscal year December 31, 2018, nor has unaudited financial information been filed for fiscal year December 31, 2019.

Cause:

The City is in discussion with HUD regarding certain expenditures and HUD has requested that report not be finalized until resolved.

Effect:

The City is not in compliance with filing deadlines specified by HUD.

Recommendation:

Management should continue to work with HUD to resolve open issues in order to submit timely GAAP-based audited financial information to the FASS-PH system for 2018. In addition, the City should request an extension to file the 2019 REAC. An extension request is used by a PHA to request additional time to submit its unaudited submission.

Finding 2019-002: Inspections

Federal Agency: U.S Department of Housing and Urban Development
CFDA 14.871, Section 8 Housing Choice Vouchers
Award year: January 1, 2019 through December 31, 2019

Criteria:

For units under Housing Assistance Program ("HAP") contracts that fail to meet Housing Quality Standards ("HQS"), the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension.

City of Peekskill, New York

Schedule of Findings and Questioned Costs (Concluded)

Year Ended December 31, 2019

Section III – Federal Award Findings and Questioned Costs (*Continued*)

Condition:

The City could not provide a complete list of units that failed inspection for fiscal year December 31, 2019.

Cause:

Due to the known HAP Software deficiency for fiscal year December 31, 2019, the City could not provide a complete log or record of all failed HQS inspections from their system. In addition, the City did not maintain a separate log of failed HQS inspections and the re-inspections.

Effect:

Management could not determine if the City complies with the Uniform Grant Guidance.

Recommendation:

The City must maintain records each year of failed inspections for the purpose of auditing failed inspections.

City of Peekskill, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

Section IV - Summary of Prior Year Audit Findings

Finding 2018-001: Filing to Financial Assessment Subsystem Specified by HUD

Federal Agency: U.S Department of Housing and Urban Development
CFDA 14.871, Section 8 Housing Choice Vouchers
Award year: January 1, 2017 through December 31, 2017

Status:

Management filed the 2017 Financial Assessment Sub-system, FASS-PH, however, this finding is repeated. See Finding 2019-001.

Finding 2018-002: Inspections

Federal Agency: U.S Department of Housing and Urban Development
CFDA 14.871, Section 8 Housing Choice Vouchers
Award year: January 1, 2018 through December 31, 2018

Status:

This finding continued into the current year. In 2019, the City could not provide a listing of failed inspections during the year see Finding 2019-002.