

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2020

City of Peekskill, New York

For the year ending December 31, 2020



Prepared by
Matthew Alexander
City Comptroller

City of Peekskill, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2020
Table of Contents

Page No.

INTRODUCTORY SECTION

Principal Officials	i
Organization Chart	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	x

FINANCIAL SECTION

Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the	
Government-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Budget and Actual - General and Water Funds	24
Fiduciary Fund	
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Financial Statements	28
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Changes in the City's OPEB Liability and Related Ratios	72
New York State and Local Employees' Retirement System	
Schedule of City's Proportionate Share of the Net Pension Liability	73
Schedule of Contributions	73
New York State and Local Police and Fire Retirement System	
Schedule of City's Proportionate Share of the Net Pension Liability	74
Schedule of Contributions	74

City of Peekskill, New York

Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2020 Table of Contents (Continued)

	<u>Page No.</u>
Fire Service Awards Program	
Schedule of Changes in the City's Total Pension Liability	75
Ambulance Service Awards Program	
Schedule of Changes in the City's Total Pension Liability	76
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet - Sub-Funds	77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds	78
Comparative Balance Sheet - Sub-Fund	80
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sub-Fund	81
Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund	83
Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund	87
Capital Projects Fund	
Comparative Balance Sheet	91
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	92
Project-Length Schedule	93
Water Fund	
Comparative Balance Sheet	95
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	96
Section 8 Housing Fund	
Comparative Balance Sheet	98
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	99
Community Development Funds	
Combining Balance Sheet - Sub Funds	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -- Sub Funds	101
Non-Major Governmental Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104
Sewer Fund	
Comparative Balance Sheet	106
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	107
Recreation Fund	
Comparative Balance Sheet	109
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	110
Special Purpose Fund	
Comparative Balance Sheet	111
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	112

City of Peekskill, New York

Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2020 Table of Contents (Continued)

Page No.

Debt Service Fund	
Comparative Balance Sheet	113
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	114
Permanent Fund	
Comparative Balance Sheet	116
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	117

STATISTICAL SECTION (Unaudited)
--

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

This section includes the following schedules

Financial Trends	
Net Position by Component - Last Ten Fiscal Years	118
Changes in Net Position - Last Ten Fiscal Years	120
Fund Balances of Governmental Funds - Last Ten Fiscal Years	122
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	124
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	126
Direct and Overlapping Property Tax Rates, Per \$1,000 of Assessed Valuation - Last Ten Fiscal Years	127
Principal Taxpayers - Current Year and Nine Years Ago	128
Property Tax Levies and Collections - Last Ten Fiscal Years	129
Debt Capacity	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	130
Direct and Overlapping Governmental Activities Debt	131
Legal Debt Margin Information - Last Ten Fiscal Years	132
Demographic and Economic Information	
Demographic Statistics - Last Ten Fiscal Years	134
Principal Employers - Current Year and Nine Years Ago	135

City of Peekskill, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2020
Table of Contents (Concluded)

	<u>Page No.</u>
Operating Information	
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	136
Operating Indicators by Function/Program - Last Ten Fiscal Years	138
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	139

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

FEDERAL AWARDS

Federal Programs

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	141
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	143
Schedule of Expenditures of Federal Awards	145
Notes to Schedule of Expenditures of Federal Awards	146
Summary Schedule of Prior Audit Findings	147
Schedule of Findings and Questioned Costs	148

**INTRODUCTORY
SECTION**

(This page intentionally left blank)



**City of Peekskill
List of City Officials**

Andre K Rainey, Mayor
Email: arainey@cityofpeekskill.com

Phone: (914) 734-4105

Vivian McKenzie, Deputy Mayor
vmckenzie@cityofpeekskill.com

Kathleen Talbot, Deputy Mayor
ktalbot@cityofpeekskill.com

Vanessa Agudelo, Councilwoman
vagudelo@cityofpeekskill.com

Ramon Fernandez, Councilman
rfernandez@cityofpeekskill.com

Patricia Riley, Councilwoman
priley@cityofpeekskill.com

Dwight Douglas, Councilman
ddouglas@cityofpeekskill.com

Andrew Y. Stewart, City Manager
Email: AStewart@cityofpeekskill.com

Phone: (914) 734-4246

Matthew C. Alexander, City Comptroller
Email: malexander@cityofpeekskill.com

Phone: (914) 734-4118

Debra Petrosky, City Clerk
Email: dpetrosky@cityofpeekskill.com

Phone: (914) 734-4242

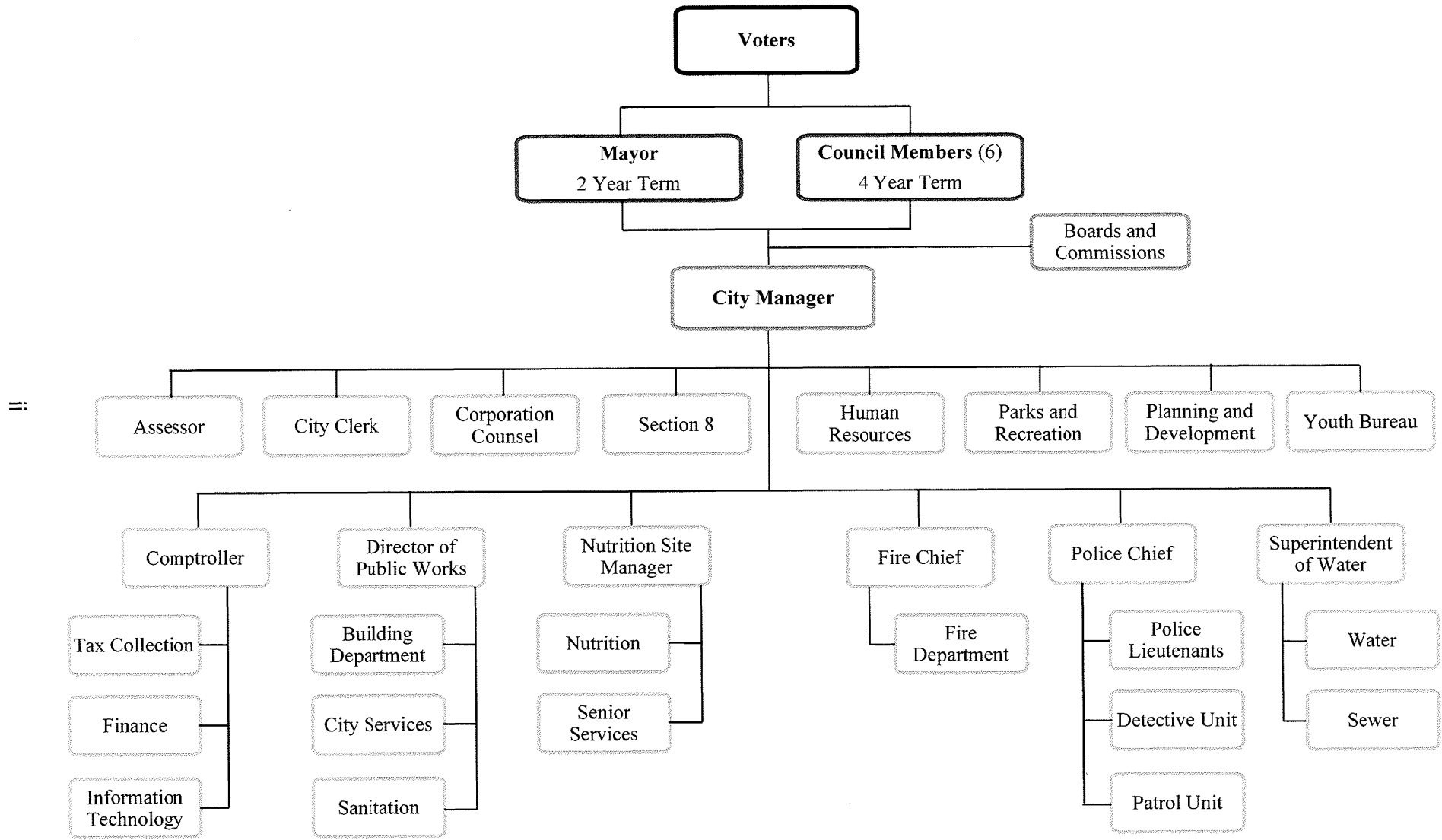
Melissa Gilbon Ferraro, Corporation Counsel
Email: mferraro@cityofpeekskill.com

Phone: (914) 734-4185

Robert Morin, Assessor
Email: rmorin@cityofpeekskill.com

Phone: (914) 734-4190

City of Peekskill
Organization Chart





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

Matthew C. Alexander, CPA
Comptroller

Jessie Boyd
Deputy Comptroller

June 4, 2021

To the Honorable Mayor and Members of the

City Council of the City of Peekskill, NY:

The Annual Comprehensive Financial Report (“ACFR”) for the City of Peekskill, New York (“City”) for the fiscal year ended December 31, 2020 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, 2020 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,

2020 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 24,075 and a per capita income of \$32,460, according to 2020 data from the United States Census Bureau. Based on the most recent sales data, the median sales price of homes in Peekskill is \$388,125, just above the state-wide average of \$365,000.

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

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

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

The City Manager is appointed by the Common Council and serves at its pleasure. The City Manager is the chief executive officer and responsible for the City's day to day operations. In addition, the City Manager is 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

Due to the Coronavirus COVID-19 pandemic, in mid-March of 2020, the entire country came to a halt and dramatically effected revenues for the City through the end of the second quarter. However, a brisk real estate market and a marked increase in third and fourth quarter sales taxes improved the bleak

situation. Revenues related to house sales and improvements and sales taxes completely recovered and eclipsed the City's expectation for the year. The City had taken extraordinary measures to cut back its payroll and to not fund budgeted personnel positions. Because of the combination of the City's rapid response as well as the increase in revenues, the City was able to weather a very challenging situation for its budget. In fact at the close of the year, the City did not need to use any of its budgeted appropriation of its fund balance and in fact was able to apply a surplus to the balance. As 2021 progresses, it appears that the City is continuing to experience the rewards of an upward migration out of New York City and the higher than expected revenue that goes with it. However, the City is cautiously optimistic that its retail and office economies will recover where it has been negatively impacted. It has yet to be seen how this will impact the future of commercial activity in the City of Peekskill as the nation adjusts to a post pandemic "new normal."

The City continues to control costs and identify operational revenue 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 theater owned by the City is especially at risk as a place that gathers people together in one space. There is a new proposal for occupancy of the theater which has not been negotiated as of yet. The gap between anticipated revenue and the cost of maintaining both existing levels of service and our physical assets endures.

The City is subject to the provisions of the New York State "tax cap" legislation enacted in 2012, whose formula restricts the increase in the property tax levy to no more than 2% or the rate of inflation, whichever is less (subject to override by at least 5 of the 7 voting councilmembers). This restriction on property tax growth places an additional burden on the ability to provide services and maintain facilities within available resources.

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

Long-term Financial Planning

Dramatic changes with a focus on economic development have been taking place in Peekskill, and these 2020 projects represent significant public and private investment:

- A \$65 million mixed-use planned unit development project on Fort Hill has been completed. It consists of a new 178 unit luxury apartment complex and a mixed-use historic building rehabilitation. The Abbey Inn contains a destination spa, inn, and premier restaurant surrounded by parkland and hiking trails with spectacular views of the Hudson River and Highlands.
- A \$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 exclusively for Senior Citizens at the eastern entrance to the City is almost complete with Westchester County investing over \$2 million in infrastructure.
- 82 units of new subsidized workforce housing between Main Street and Central Avenue is under construction with an investment of \$47 million including Westchester County funding to

construct the parking garage. Peekskill is requiring the developer to include an apprenticeship program for skilled career training.

- 216 S. Division Street – A new mixed use building in the Downtown Historic District is under construction with 22 market rate residential units and two retail storefronts.
- 505 South Street – A new 51 unit luxury residential building with recreation space and outdoor swimming pool is under construction.
- Grand opening of the Apple Farm Grocery Store at the southern end of the City.
- The relocation of the Sav Mor Auto Parts Store with a new parking lot in downtown has been completed and occupied.
- 108 N. Division Street (Busy Corner) renovation is underway for 13 residential units with a rooftop terrace and five renovated commercial spaces on the first floor.
- 190 N. Water Street building renovation for Bre and Co and for other new craftsman businesses is almost complete.
- A decommissioned firehouse in downtown was sold to the Peekskill Central School District to relocate educational facilities and to free up classroom space for an expanded STEAM program.
- The City issued a license agreement to the Ecological Citizen's Project to install an professionally-run urban farm on City-owned property in downtown that will serve the local community.
- The Microenterprise Program second round is underway which offers grant assistance to existing and new small businesses in Peekskill that provide jobs to low and moderate income persons.
- \$2 million has been awarded by NYS for the reconstruction of Fleischmann Pier, and all required permits have been issued to begin construction.

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, 2019. This was the fifth 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,

A handwritten signature in dark ink, appearing to read "Matt C. Alexander", written in a cursive style.

Matthew C. Alexander
Comptroller

(This page intentionally left blank)



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, 2019

Christopher P. Morill

Executive Director/CEO

(This page intentionally left blank)

**FINANCIAL
SECTION**

(This page intentionally left blank)

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, 2020, 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, 2020, 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

As discussed in Note 4E 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, 2020 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, 2020 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, 2020 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, 2020.

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, 2019 (not presented herein) and have issued our report thereon dated June 8, 2020, 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, 2019 are presented for purposes of additional analysis and are not a required part of the basic financials 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 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

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, 2020 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 4, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
June 4, 2021

(This page intentionally left blank)

City of Peekskill, New York

Management's Discussion and Analysis December 31, 2020

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, 2020. 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 2020 are as follows:

- In response to COVID-19, during 2020, the Common Council adopted two City Management proposed budget adjustments, one cut \$529,000 in expenses, and the second cut \$486,000 in expenses from the 2020 adopted budget. Adopted in mid-June, these budget adjustments froze most vacant positions, eliminated overtime spending for non-emergency purposes, cancelled recreational programming and prevented the hiring of dozens of part-time workers. Overall, these budget adjustments reduced 2020 expenses by \$1.015 million, and anticipated the use of \$1 million in fund balance in 2020 in order to offset lost revenues. However, due to the reductions in expenditures in payroll and other city activity, as well as the unanticipated increases in housing related and associated revenues such as Building Permit Fees and Sales Taxes, the overall impact of COVID-19's devastating effects to the economy were averted for the City's financial condition.
- The City of Peekskill has a negative net position of \$86.60 million, an increase from a negative \$87.82 million at the end of 2019. The negative position is a due to a cumulative effect of change in accounting principle in reporting Other Post Employment Benefits other than Pensions ("OPEB").
- Included in the government-wide financial statements are liabilities that represent estimates for 2020 other post employment benefit obligations of \$177.82 million, net pension liabilities of \$26.66 million, future liability and workers compensation claims of \$2.47 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, 2020 of \$162.16 million is primarily due to the OPEB liability.
- The City's governmental fund financial statements reported a combined fund balance of \$29.90 million at December 31, 2020; as compared to \$24.84 million at December 31, 2019, with increases noted in the Water Fund Assigned Fund Balance, Section 8 Fund Restricted Fund Balance and the General Fund Restricted, Assigned and Unassigned Fund Balances.
- The City's long-term debt, consisting of bonds and notes payable, for all government activities totaled \$53.42 million at December 31, 2020 and \$53.39 million at December

31, 2019. Increase is due to the issuance of \$4.80 million of notes less principal payments of \$4.77 million.

- Included in the governmental fund balances at December 31, 2020 is an assigned portion of the Water Fund of \$4.80 million and the Sewer Fund of \$2.27 million. As a prudent measure these funds are relied on as a cushion to maintain a stable tax levy and for unexpected emergencies. This is especially needed considering New York State's legislated ban on re-levying delinquent water and sewer bills due to COVID hardships faced by residents.
- At December 31, 2020 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 \$873,975, 2.25% 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 2020 at \$4.46 million.
- The City's General Fund operating expenses are \$38.91 million for 2020 and \$39.88 million for 2019. Expenses for 2020 are \$2.44 million less than budgeted.
- The City's General Fund operating revenues are \$39.53 million for 2020 and \$41.07 million for 2019 exclusive of other financing sources. Revenue for 2020 was less than the 2020 Adjusted Budget by \$1.23 million.
- Sales Tax revenue realized was \$4.89 million, resulting in a \$288,000 favorable revenue variance in 2020. Transfer tax revenues continue to exceed budget, with a 2020 total of \$1.06 million.
- Real property taxes, payments in lieu of taxes and penalty and interest on taxes totaled \$24.11 million and \$23.82 for 2020 and 2019, 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 \$86.89 million at the close of the current fiscal year.

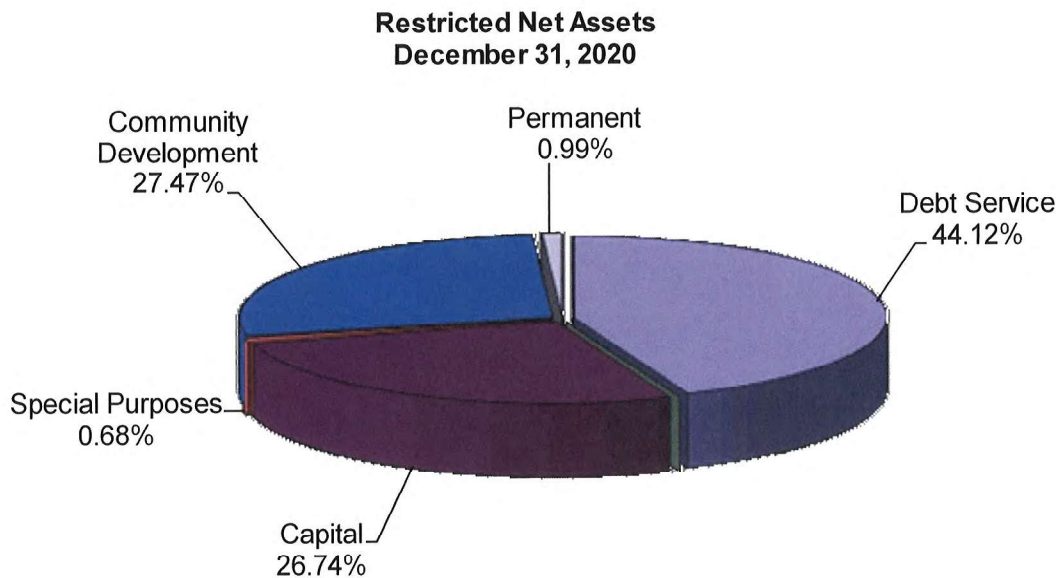
Net Position (in thousands)

	December 31,	
	2020	2019
Current Assets	\$ 38,711	\$ 30,150
Capital Assets, net	116,656	109,955
Total Assets	155,367	140,105
Deferred Outflows of Resources	43,479	38,768
Current Liabilities	6,424	2,949
Long-term Liabilities	265,176	261,100
Total Liabilities	271,600	264,049
Deferred Inflows of Resources	13,849	2,652
NET POSITION		
Net Investment in Capital Assets	65,445	59,435
Restricted	10,110	9,870
Unrestricted	(162,158)	(157,133)
Total Net Position	\$ (86,603)	\$ (87,828)

One of the largest components of the City's net position reflects its investment in capital assets, net of related debt, amounting to \$65.45 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 \$10.11 million represent resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (in thousands):

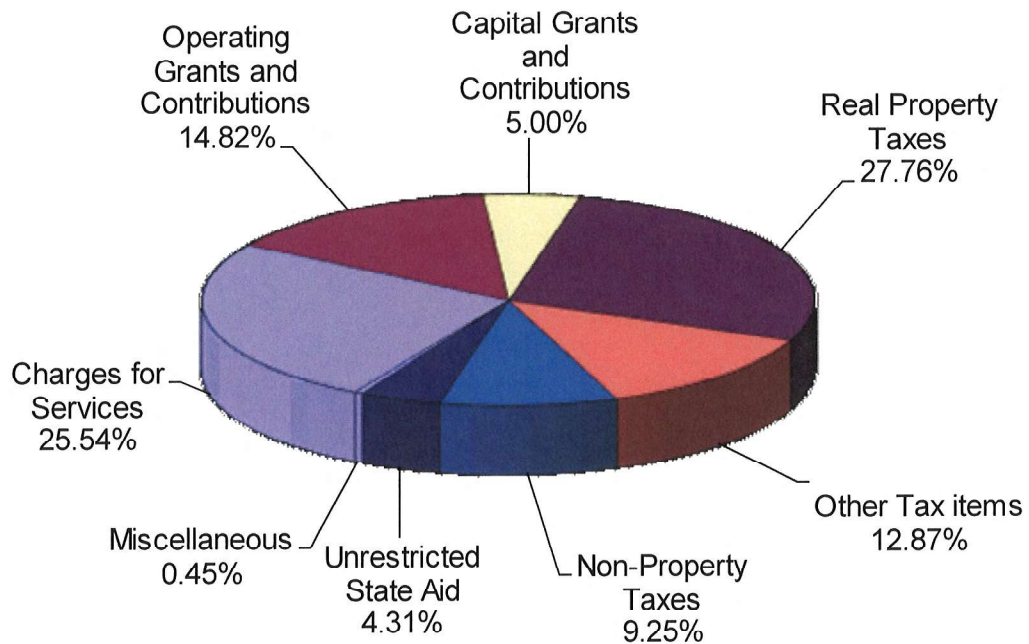
	December 31,	
	2020	2019
Debt Service	\$ 4,461	\$ 4,440
Special Purposes	69	65
Community Development	2,777	2,859
Capital	2,703	2,404
Permanent	100	102
	<u>\$ 10,110</u>	<u>\$ 9,870</u>



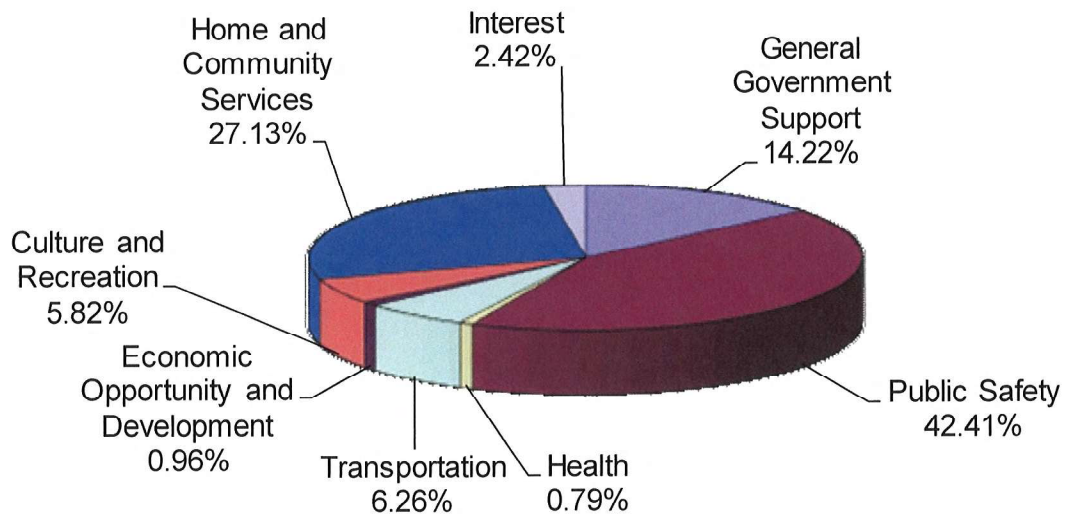
Changes in Net Position
(in thousands)

	December 31,	
	2020	2019
Program Revenues		
Charges for Services	\$ 15,847	\$ 15,496
Operating Grants and Contributions	9,197	9,288
Capital Grants and Contributions	3,103	2,844
General Revenues		
Real Property Taxes	17,228	17,076
Other Tax items	7,983	8,894
Non-Property Taxes	5,737	5,047
Unrestricted Use of Money and Property	51	83
Unrestricted State Aid	2,674	2,798
Sale of Property and Compensation for Loss	2	72
Insurance Recoveries	141	55
Miscellaneous	85	36
	<u>62,048</u>	<u>61,689</u>
Total Revenues		
Program Expenses		
General Government Support	8,648	6,766
Public Safety	25,797	22,530
Health	479	384
Transportation	3,807	4,273
Economic Opportunity and Development	581	654
Culture and Recreation	3,538	4,569
Home and Community Services	16,502	17,409
Interest	1,471	1,459
	<u>60,823</u>	<u>58,044</u>
Total Expenses		
	<u>1,225</u>	<u>3,645</u>
Change in Net Position		
NET POSITION		
Beginning	<u>(87,828)</u>	<u>(91,474)</u>
Ending	<u><u>\$ (86,603)</u></u>	<u><u>\$ (87,828)</u></u>

**Sources of Revenue for Fiscal Year 2020
Governmental Activities**



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



Governmental activities increased the City's net position by \$1.23 million in 2020. The total City governmental activities revenues in 2020 and 2019 were \$62.05 million and \$61.69 million, respectively. Real property taxes provided 27.77% of total revenues in 2020. Charges for services, operating grants and contributions, and capital grants and contributions provided 45.36% in 2020 and 44.29% in 2019. State aid provided 4.31% and 4.54% of total revenues for the fiscal years ended December 31, 2020 and 2019, respectively.

Governmental activities expenses of the City for the year totaled \$60.82 million in 2020 and \$58.04 million in 2019. Public Safety expenses accounted for the largest portion (\$25.80 million or 42.40% in 2020 and \$22.53 million or 38.82% in 2019), followed by Home and Community Services (\$16.50 million or 27.14% in 2020 and \$17.41 million or 30% in 2019) of total expenses.

Financial Analysis of the City's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29.90 million, an increase of \$5.07 million due to increased water, sewer and Section 8 fund revenues and a controlling of operational expenses in the general and water funds.

The revenue categories that reflected positive variances as compared to the budget were: Other Tax Items (\$127,688) primarily due to the real estate activity and resulting Transfer Tax requirement; Non-Property Taxes (\$377,077) due to increase in Sales Tax revenue;

Negative budget to actual revenue variances were seen in Departmental Income, Licenses & Permits (\$910,354) due to decreases in recreation and parking permit fees despite an increase in building permit fees; Fines (\$632,366).

The expense categories that reflected positive variances as compared to the budget were; General Government Support (\$86,787), Culture and Recreation (\$573,791), Transportation (\$559,791), Home and Community Services (\$218,465), Employee Benefits (\$822,891) and Economic Opportunity and Development (\$72,328). Public Safety (\$132,726) and Health (\$29,674) had a negative variance.

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 2020 and 2019 were \$8.63 million and \$7.31 million respectively. Water rates are reviewed on an annual basis and compared to area averages.

Fund expenses form 2020 were \$6.07 million, increased from 2019 of \$7.03 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, 2020, the Assigned Fund Balance of the Water Fund was \$5.11 million, increased from the 2019 balance of \$2.74 million. The \$2.37 million increase in the fund balance was due to an \$1.18 million increase in revenues while reducing expenditures by \$963,041.

Section 8 Housing Fund

Assigned Fund Balance

Section 8 actual units in which administrative fees were earned amounted to 553 units (465 units throughout City and 88 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 2020 are part of the unassigned fund balance account. These funds are still considered to be administrative fee reserves, and are subject to all requirements applicable to administrative fee reserves including, but not limited to, 24 CFR 982.155.

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

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of December 31, 2020 and 2019 amounted to \$116.66 million and \$109.96 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 \$6.70 million.

**Capital Assets, Net of Accumulated Depreciation
(In thousands)**

	December 31,	
	2020	2019
Capital Assets not being depreciated:		
Land	\$ 11,202	\$ 11,202
Construction-in-Progress	12,408	7,215
Capital Assets being depreciated:		
Land Improvements	19,865	18,753
Buildings and improvements	66,469	66,672
Machinery and Equipment	3,890	3,105
Infrastructure	2,822	3,008
Total	<u>\$ 116,656</u>	<u>\$ 109,955</u>

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 payable debt outstanding of \$48.66 million. All of this debt is backed by the full faith and credit of the City.

**Outstanding General Obligation Serial Bonds
(In thousands)**

Fund	2020	2019
General	\$ 28,060	\$ 30,396
Water	20,200	22,235
Sewer	395	519
Total	<u>\$ 48,655</u>	<u>\$ 53,150</u>

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

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limit and without affecting the City's authority to issue debt subject to the limit. At December 31, 2020, the City of Peekskill had used \$25.6 million or 32.3% of the constitutional debt limit leaving 67.7% 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:

Matthew C. Alexander, Comptroller
City of Peekskill
840 Main Street
Peekskill, New York 10566
Or e-mail malexander@cityofpeekskill.com

(This page intentionally left blank)

**BASIC FINANCIAL
STATEMENTS**

(This page intentionally left blank)

City of Peekskill, New York

Statement of Net Position
December 31, 2020

	Primary Government	Component Unit
	Governmental Activities	City of Peekskill Industrial Development Agency
ASSETS		
Cash and equivalents	\$ 23,185,870	\$ 1,055,775
Investments	3,566,672	-
Receivables		
Taxes	1,949,530	-
Accounts	1,401,158	-
Water rents	2,522,847	-
Sewer rents	463,777	-
State and Federal aid	2,356,800	-
Due from other governments	813,861	-
Due from fiduciary fund	53,085	-
Loans	899,092	-
Prepaid expenses	1,290,178	-
Inventories	210,467	-
Capital assets		
Not being depreciated	23,609,512	308,750
Being depreciated, net	93,046,169	-
Total Assets	155,369,018	1,364,525
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	16,129,060	-
OPEB related	25,568,052	-
Length of service award program(s)	662,659	-
Deferred charge on refunding bonds	1,118,760	-
Total Deferred Outflows of Resources	43,478,531	-
LIABILITIES		
Accounts payable	757,548	10,000
Accrued liabilities	630,388	-
Due to other governments	54,656	-
Retainages payable	19,775	-
Deposits payable	1,020,031	-
Employee payroll tax deductions	371,708	-
Tax Anticipation Note Payable	3,000,000	-
Unearned revenues	308,135	-
Accrued interest payable	262,082	-
Non-current liabilities		
Due within one year	5,793,028	-
Due in more than one year	259,383,440	-
Total Liabilities	271,600,791	10,000
DEFERRED INFLOWS OF RESOURCES		
Pension related	564,516	-
OPEB related	12,900,231	-
Length of service award program(s)	384,586	-
Total Deferred Inflows of Resources	13,849,333	-
NET POSITION		
Net investment in capital assets	65,444,898	308,750
Restricted for		
Capital projects	2,701,765	-
Community development	2,776,517	-
Debt service	4,461,300	-
Special Purpose	68,581	-
Permanent Fund	2,334	-
Permanent Fund - Nonexpendable	100,000	-
Unrestricted	(162,157,970)	1,045,775
Total Net Position	\$ (86,602,575)	\$ 1,354,525

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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 8,648,381	\$ 2,466,245	\$ 300	\$ -
Public safety	25,796,761	769,780	493,389	-
Health	479,063	81,834	110,182	-
Transportation	3,806,577	753,343	-	2,147,257
Economic opportunity and development	581,409	103,665	159,352	-
Culture and recreation	3,537,636	360,057	119,654	934,394
Home and community services	16,501,997	11,311,834	8,314,233	21,191
Interest	1,471,332	-	-	-
Total Governmental Activities - Primary Government	<u>\$ 60,823,156</u>	<u>\$ 15,846,758</u>	<u>\$ 9,197,110</u>	<u>\$ 3,102,842</u>
Component Unit -				
City of Peekskill				
Industrial Development Agency	<u>\$ 97,737</u>	<u>\$ 56,000</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Payments in lieu of taxes				
Real estate transfer tax				
Non-property taxes				
Non-property tax distribution from County				
Utilities gross receipts taxes				
Hotel tax				
Cable television franchise fees				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Miscellaneous				
Insurance recoveries				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning				
Ending				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	City of Peekskill Industrial Development Agency
\$ (6,181,836)	\$ -
(24,533,592)	-
(287,047)	-
(905,977)	-
(318,392)	-
(2,123,531)	-
3,145,261	-
(1,471,332)	-
(32,676,446)	-
-	(41,737)
17,227,590	-
248,033	-
6,677,161	-
1,058,129	-
4,888,510	-
295,903	-
153,298	-
399,366	-
50,985	4,338
2,251	-
2,674,461	-
85,430	-
141,333	-
33,902,450	4,338
1,226,004	(37,399)
(87,828,579)	1,391,924
<u>\$ (86,602,575)</u>	<u>\$ 1,354,525</u>

City of Peekskill, New York

Balance Sheet
Governmental Funds
December 31, 2020

	General	Capital Projects	Water
ASSETS			
Cash and equivalents	\$ 13,764,308	\$ 1,165,879	\$ 2,350,811
Investments	3,566,672	-	-
Taxes receivable	1,949,530	-	-
Other receivables			
Accounts	397,900	-	-
Water rents	-	-	2,522,847
Sewer rents	-	-	-
State and Federal aid	1,930,713	426,087	-
Due from other governments	813,861	-	-
Loans	-	-	-
Due from other funds	1,784,920	-	-
Due from fiduciary fund	53,085	-	-
	4,980,479	426,087	2,522,847
Prepaid expenditures	1,134,582	-	96,955
Inventories	-	-	210,467
Total Assets	<u>\$ 25,395,571</u>	<u>\$ 1,591,966</u>	<u>\$ 5,181,080</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 666,769	\$ 45,180	\$ 39,704
Accrued liabilities	578,865	-	33,087
Deferred revenue	-	-	-
Due to other governments	54,656	-	-
Retainages payable	-	19,775	-
Due to other funds	-	1,634,920	-
Deposits payable	1,020,031	-	-
Employee payroll tax deductions	371,708	-	-
Tax anticipation note payable	3,000,000	-	-
Unearned revenues	20,826	-	-
Total Liabilities	5,712,855	1,699,875	72,791
Deferred inflows of resources			
Deferred tax revenues	748,216	-	-
Total Liabilities and Deferred Inflows of Resources	6,461,071	1,699,875	72,791
Fund balances (deficits)			
Nonspendable	1,593,723	-	307,422
Restricted	8,629,080	-	-
Committed	873,975	-	-
Assigned	2,324,918	-	4,800,867
Unassigned	5,512,804	(107,909)	-
Total Fund Balances (Deficits)	18,934,500	(107,909)	5,108,289
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,395,571</u>	<u>\$ 1,591,966</u>	<u>\$ 5,181,080</u>

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

Section 8 Housing	Community Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 843,593	\$ 1,874,167	\$ 3,187,112	\$ 23,185,870
-	-	-	3,566,672
-	-	-	1,949,530
-	3,258	-	401,158
-	-	-	2,522,847
-	-	463,777	463,777
-	-	-	2,356,800
-	-	-	813,861
-	899,092	-	899,092
-	-	-	1,784,920
-	-	-	53,085
-	902,350	463,777	9,295,540
-	-	58,641	1,290,178
-	-	-	210,467
<u>\$ 843,593</u>	<u>\$ 2,776,517</u>	<u>\$ 3,709,530</u>	<u>\$ 39,498,257</u>
\$ 693	\$ -	\$ 5,202	\$ 757,548
12,081	-	6,355	630,388
287,309	-	-	287,309
-	-	-	54,656
-	-	-	19,775
-	-	150,000	1,784,920
-	-	-	1,020,031
-	-	-	371,708
-	-	-	3,000,000
-	899,092	-	919,918
300,083	899,092	161,557	8,846,253
-	-	-	748,216
300,083	899,092	161,557	9,594,469
-	-	158,641	2,059,786
543,510	1,877,425	70,915	11,120,930
-	-	1,045,366	1,919,341
-	-	2,273,051	9,398,836
-	-	-	5,404,895
543,510	1,877,425	3,547,973	29,903,788
<u>\$ 843,593</u>	<u>\$ 2,776,517</u>	<u>\$ 3,709,530</u>	<u>\$ 39,498,257</u>

(This page intentionally left blank)

City of Peekskill, New YorkReconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2020

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

Total Fund Balances - Governmental Funds	\$ 29,903,788
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	23,609,512
Capital assets - depreciable	128,981,539
Accumulated depreciation	<u>(35,935,370)</u>
	116,655,681
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	748,216
Loans	<u>899,092</u>
	2,647,308
Differences between expected and actual experiences, assumptions changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflow of resources on the statement of net position.	
Deferred outflows - pension related	16,129,060
Deferred outflows - OPEB related	25,568,052
Deferred outflows - length of service awards programs	662,659
Deferred inflows - pension related	(564,516)
Deferred inflows - OPEB related	(12,900,231)
Deferred inflows - length of service awards programs	<u>(384,586)</u>
	28,510,438
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(262,082)
General obligation bonds payable	(48,896,808)
Notes payable	(4,767,735)
Retirement incentives and other pension obligations	(1,846,731)
Compensated absences	(1,714,001)
Total pension liability	(4,579,511)
Net pension liability	(22,076,585)
Landfill closure costs	(1,000,000)
Claims payable	(2,472,672)
Total OPEB liability	<u>(177,822,425)</u>
	(265,438,550)
Governmental funds report the effect of premiums, discounts, and refunding and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Deferred amounts on refunding	<u>1,118,760</u>
Net Position of Governmental Activities	\$ <u>(86,602,575)</u>

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

City of Peekskill, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	General	Capital Projects	Water	Section 8 Housing
REVENUES				
Real property taxes	\$ 17,186,004	\$ -	\$ -	\$ -
Other tax items	7,983,323	-	-	-
Non-property taxes	5,737,077	-	-	-
Departmental income	3,524,077	-	8,628,684	-
Charges for services	147,431	-	-	-
Use of money and property	735,694	-	-	-
Licenses and permits	825,182	-	-	-
Fines and forfeitures	467,634	-	-	-
Sale of property and compensation for loss	2,251	-	-	-
State aid	2,781,085	2,979,093	-	-
Federal aid	272,782	-	-	8,219,721
Miscellaneous	226,324	123,749	63,823	14,952
Total Revenues	39,888,864	3,102,842	8,692,507	8,234,673
EXPENDITURES				
Current				
General government support	4,440,270	-	-	-
Public safety	13,265,533	-	-	-
Health	401,674	-	-	-
Transportation	2,101,841	-	-	-
Economic opportunity and development	528,741	-	-	-
Culture and recreation	1,956,509	-	-	-
Home and community services	2,336,690	-	3,560,759	7,780,304
Employee benefits	10,513,064	-	-	-
Debt service				
Principal	2,609,819	-	2,035,000	-
Interest	882,575	-	474,995	-
Capital outlay	-	7,915,819	-	-
Total Expenditures	39,036,716	7,915,819	6,070,754	7,780,304
Excess (Deficiency) of Revenues Over Expenditures	852,148	(4,812,977)	2,621,753	454,369
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	141,333	-	-	-
Notes issued	-	4,803,012	-	-
Transfers in	658,000	175,000	-	-
Transfers out	-	-	(255,000)	-
Total Other Financing Sources (Uses)	799,333	4,978,012	(255,000)	-
Net Change in Fund Balances	1,651,481	165,035	2,366,753	454,369
FUND BALANCES (DEFICITS)				
Beginning of Year	17,283,019	(272,944)	2,741,536	89,141
End of Year	\$ 18,934,500	\$ (107,909)	\$ 5,108,289	\$ 543,510

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

Community Development	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 17,186,004
-	-	7,983,323
-	-	5,737,077
-	1,835,252	13,988,013
-	-	147,431
15,737	74	751,505
-	-	825,182
-	-	467,634
-	-	2,251
-	-	5,760,178
-	-	8,492,503
25,271	6,150	460,269
<u>41,008</u>	<u>1,841,476</u>	<u>61,801,370</u>
-	-	4,440,270
-	-	13,265,533
-	-	401,674
-	-	2,101,841
-	-	528,741
-	2,165	1,958,674
-	736,121	14,413,874
-	-	10,513,064
-	124,100	4,768,919
-	11,110	1,368,680
-	-	7,915,819
-	873,496	61,677,089
<u>41,008</u>	<u>967,980</u>	<u>124,281</u>
-	-	141,333
-	-	4,803,012
-	-	833,000
<u>(98,000)</u>	<u>(480,000)</u>	<u>(833,000)</u>
<u>(98,000)</u>	<u>(480,000)</u>	<u>4,944,345</u>
(56,992)	487,980	5,068,626
<u>1,934,417</u>	<u>3,059,993</u>	<u>24,835,162</u>
<u>\$ 1,877,425</u>	<u>\$ 3,547,973</u>	<u>\$ 29,903,788</u>

(This page intentionally left blank)

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, 2020

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

Net Change in Fund Balances - Total Governmental Funds	\$ 5,068,626
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	7,988,439
Depreciation expense	<u>(1,288,246)</u>
	<u>6,700,193</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	41,586
Departmental income	<u>(25,271)</u>
	<u>16,315</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	(4,803,012)
Principal paid on general obligation bonds	4,495,000
Principal paid on notes	<u>273,919</u>
	<u>(34,093)</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	3,765
Retirement incentives and other pension liabilities	365,318
Compensated absences	42,715
Changes in pension liabilities and related deferred outflows and inflows of resources	(4,352,267)
Changes in length of service awards program liabilities and related deferred outflows and inflows of resources	(54,150)
Claims	(165,533)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(6,258,468)
Amortization of premium and loss on refunding	<u>(106,417)</u>
	<u>(10,525,037)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,226,004</u></u>

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

City of Peekskill, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended December 31, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 17,260,000	\$ 17,260,000	\$ 17,186,004	\$ (73,996)
Other tax items	7,855,635	7,855,635	7,983,323	127,688
Non-property taxes	5,360,000	5,360,000	5,737,077	377,077
Departmental income	4,382,365	4,434,431	3,524,077	(910,354)
Charges for services	230,000	230,000	147,431	(82,569)
Use of money and property	357,500	357,500	735,694	378,194
Licenses and permits	553,500	553,500	825,182	271,682
Fines and forfeitures	1,100,000	1,100,000	467,634	(632,366)
Sale of property and compensation for loss	30,000	30,000	2,251	(27,749)
State aid	2,817,000	2,817,000	2,781,085	(35,915)
Federal aid	205,000	630,768	272,782	(357,986)
Miscellaneous	134,000	134,000	226,324	92,324
Total Revenues	40,285,000	40,762,834	39,888,864	(873,970)
EXPENDITURES				
Current				
General government support	4,821,708	4,527,057	4,440,270	86,787
Public safety	13,545,635	13,132,807	13,265,533	(132,726)
Health	372,000	372,000	401,674	(29,674)
Transportation	2,525,824	2,660,978	2,101,841	559,137
Economic opportunity and development	559,296	601,069	528,741	72,328
Culture and recreation	2,605,745	2,530,300	1,956,509	573,791
Home and community services	2,503,106	2,555,155	2,336,690	218,465
Employee benefits	11,322,000	11,335,955	10,513,064	822,891
Debt service				
Principal	2,700,405	2,724,087	2,609,819	114,268
Interest	878,521	913,963	882,575	31,388
Total Expenditures	41,834,240	41,353,371	39,036,716	2,316,655
Excess (Deficiency) of Revenues Over Expenditures	(1,549,240)	(590,537)	852,148	1,442,685
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	50,000	50,000	141,333	91,333
Transfers in	798,000	798,000	658,000	(140,000)
Transfers out	(900,000)	(900,000)	-	900,000
Total Other Financing Sources (Uses)	(52,000)	(52,000)	799,333	851,333
Net Change in Fund Balances	(1,601,240)	(642,537)	1,651,481	2,294,018
FUND BALANCES				
Beginning of Year	1,601,240	642,537	17,283,019	16,640,482
End of Year	\$ -	\$ -	\$ 18,934,500	\$ 18,934,500

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
7,698,000	7,698,000	8,628,684	930,684
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
16,000	16,000	63,823	47,823
7,714,000	7,714,000	8,692,507	978,507
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,735,451	4,911,607	3,560,759	1,350,848
-	-	-	-
2,035,000	2,035,000	2,035,000	-
683,549	683,549	474,995	208,554
7,454,000	7,630,156	6,070,754	1,559,402
260,000	83,844	2,621,753	2,537,909
-	-	-	-
-	-	-	-
(260,000)	(260,000)	(255,000)	5,000
(260,000)	(260,000)	(255,000)	5,000
-	(176,156)	2,366,753	2,542,909
-	176,156	2,741,536	2,565,380
\$ -	\$ -	\$ 5,108,289	\$ 5,108,289

City of Peekskill, New York

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	Custodial Fund
ASSETS	
Real property taxes receivable for other governments	\$ 18,559,610
	<u>18,559,610</u>
LIABILITIES	
Due to other governments	\$ 18,506,525
Due to other funds	53,085
	<u>18,559,610</u>
Total Liabilities	<u>\$ 18,559,610</u>

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

City of Peekskill, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2020

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 56,143,211
DEDUCTIONS	
Payments of real property taxes to other governments	<u>56,143,211</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

(This page intentionally left blank)

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The following organizations are related to the City:

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

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

B. Government-Wide Financial Statements

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

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

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

C. Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Fund Categories

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

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

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the 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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues

Note 1 - Summary of Significant Accounting Policies (Continued)

from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within 1 year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability, total pension liability, certain claims, landfill closure costs and other post-employment benefits liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under 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 (except Length of Service Award Program investments, which are discussed in Note 3A) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The City follows the provisions of GASB Statement No. 72, "*Fair Value 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

Note 1 - Summary of Significant Accounting Policies (Continued)

active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest 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, 2020.

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

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

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

The City functions in both a fiduciary and guarantor relationship with the County of Westchester and the school districts with respect to the collection and payment of real property taxes levied by such jurisdictions. The County Charter provides for the City to collect County taxes and remit them as collected. However, the City must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, New York State law and the County charter provide that the City satisfy the warrants of the school

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Fiduciary Fund - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$20,826 for parking permits in the General Fund and \$899,092 for loans receivable in the Community Development Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net 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 includes 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.

The City reported deferred outflows of resources of \$1,118,760 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The City reported deferred inflows of resources of \$748,216 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, fire service award, and other postemployment benefit liabilities. These amounts are detailed in the discussion of the City's pension, fire service award, and other postemployment benefit liabilities in Note 3I.

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

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 - an Amendment of GASB Statement No. 68."

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to

Note 1 - Summary of Significant Accounting Policies (Continued)

the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

F. Encumbrances

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

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material.

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 4, 2021.

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 since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The City Charter has established legislative legal control of the budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, require approval by the Common Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Common Council.
- i) Appropriations in General, Water, 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.

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 2020, the maximum amount which could have been raised was \$35,528,008, which exceeded the levy by \$18,268,008.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

C. Expenditures in Excess of Budget

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

	<u>Amount</u>
General Fund	
General Government Support	
Common Council	\$ 2,101
Unified Court	1,745
Mayor	312
City Manager	6,577
Comptroller	6,813
City Clerk	6,920
Law	8,593
Personnel	6,691
Parking Violations Bureau	9,437
Public works administration	6,283
Building maintenance	1,630
Public Safety	
Fire Department	363,639
Health	
Ambulance	19,595
Home and Community Services	
Composting	28
Debt Service	
Interest Notes	88,529

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

City Hall - 2015 Equipment	\$ 329,713
City Hall - 2019 Equipment	339,314
Street Paving	4,588
Water Meter Upgrade	76,400
Neighborhood Center Roof	6,606
Central Firehouse	1,574,512
Purchase of Lower South Street	1,970
Hollowbrook Pump Station	41,491
Feasibility Study - White Plains Linen Complex	105,450
Peekskill Multi Use Trail	128,026
Oakwood Drive Reconstruction	34,525
Louisa Street CDBG	82,524
Vehicle Charging Stations	12,174

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 projects have a deficit fund balance:

City Hall -2015 Equipment	\$ 379,407
City Hall -2019 Equipment	339,314
Water Meter Upgrade	76,400
Neighborhood Center Roof	6,606
Central Firehouse	1,574,512
Purchase Lower South Street	1,970
Hollowbrook Pump Station	41,491
Feasibility Study - White Plains Linen Complex	105,450
Peekskill Multi Use Trail	128,025
Oakwood Drive Reconstruction	34,525
Louisa Street CDBG	82,524
Vehicle Charging Stations	12,175
Main Street Streetscape	27,275

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds

A. Investments

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

Ambulance Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bonds funds	\$ 138,902	\$ -	\$ -	\$ 11,438	\$ 73,943	\$ 53,521
Common stock	348,284	348,284	-	-	-	-
Corporate bonds	106,955	-	-	106,955	-	-
U.S. and international equities funds	239,273	239,273	-	-	-	-
	<u>\$ 833,414</u>	<u>\$ 587,557</u>	<u>\$ -</u>	<u>\$ 118,393</u>	<u>\$ 73,943</u>	<u>\$ 53,521</u>

Type of investment	Fair Value	N/A	A or Better	BBB	BB	Unrated
Bonds funds	\$ 138,902	\$ -	\$ 138,902	\$ -	\$ -	\$ -
Common stock	348,284	348,284	-	-	-	-
Corporate bonds	106,955	-	30,370	36,212	40,373	-
U.S. and international equities funds	239,273	239,273	-	-	-	-
	<u>\$ 833,414</u>	<u>\$ 587,557</u>	<u>\$ 169,272</u>	<u>\$ 36,212</u>	<u>\$ 40,373</u>	<u>\$ -</u>

Fire Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bonds funds	\$ 652,122	\$ -	\$ -	\$ 228,960	\$ 311,772	\$ 111,390
Common stock	695,015	695,015	-	-	-	-
Corporate bonds	684,416	-	-	159,136	395,943	129,337
Insurance contracts	377,939	377,939	-	-	-	-
U.S. and international equities funds	323,766	323,766	-	-	-	-
	<u>\$ 2,733,258</u>	<u>\$ 1,396,720</u>	<u>\$ -</u>	<u>\$ 388,096</u>	<u>\$ 707,715</u>	<u>\$ 240,727</u>

Type of investment	Fair Value	N/A	A or Better	BBB	BB	Unrated
Bonds funds	\$ 652,122	\$ -	\$ 457,357	\$ 83,375	\$ 111,390	\$ -
Common stock	695,015	695,015	-	-	-	-
Corporate bonds	684,416	-	-	395,943	288,473	-
Insurance contracts	377,939	377,939	-	-	-	-
U.S. and international equities funds	323,766	323,766	-	-	-	-
	<u>\$ 2,733,258</u>	<u>\$ 1,396,720</u>	<u>\$ 457,357</u>	<u>\$ 479,318</u>	<u>\$ 399,863</u>	<u>\$ -</u>

Total Investments \$ 3,566,672

The investments above in fixed income, mutual funds and common stock are measured using level 1 inputs as of December 31, 2020.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

B. Property Taxes Receivable

Taxes receivable at December 31, 2020 consisted of the following:

City Taxes	\$	683,714
County Taxes		275,055
School Districts Taxes		844,849
Installment agreements		<u>145,912</u>
	\$	<u><u>1,949,530</u></u>

Taxes in the fund financial statements are also partially offset by deferred tax revenues of \$748,216, which is an estimate of the taxes that will not be collected within the first sixty days of the subsequent year

C. Loans Receivable

Loans receivable of \$899,092 reported in the Community Development Fund as of December 31, 2020 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program and Commercial Loan Program. The repayment terms and interest rates of each loan vary.

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

The composition of due from/to other funds and due from/to fiduciary funds at December 31, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,838,005	\$ -
Capital Projects	-	1,634,920
Non-Major Governmental	-	150,000
Fiduciary	-	53,085
	<u>\$ 1,838,005</u>	<u>\$ 1,838,005</u>

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

E. Capital Assets

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

Class	Balance at January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital Assets, not being depreciated:				
Land	\$ 11,201,915	\$ -	\$ -	\$ 11,201,915
Construction-in-progress	7,215,402	6,716,043	1,523,848	12,407,597
Total Capital Assets, Not Being Depreciated	<u>\$ 18,417,317</u>	<u>\$ 6,716,043</u>	<u>\$ 1,523,848</u>	<u>\$ 23,609,512</u>
Capital Assets, being depreciated:				
Land improvements	\$ 25,740,864	\$ 1,523,848	\$ -	\$ 27,264,712
Buildings and improvements	72,771,365	-	-	72,771,365
Machinery and equipment	11,294,862	1,272,396	-	12,567,258
Infrastructure	16,378,204	-	-	16,378,204
Total Capital Assets, Being Depreciated	<u>126,185,295</u>	<u>2,796,244</u>	<u>-</u>	<u>128,981,539</u>
Less Accumulated Depreciation for:				
Land improvements	6,987,436	412,515	-	7,399,951
Buildings and improvements	6,099,214	203,562	-	6,302,776
Machinery and equipment	8,189,680	487,225	-	8,676,905
Infrastructure	13,370,794	184,944	-	13,555,738
Total Accumulated Depreciation	<u>34,647,124</u>	<u>1,288,246</u>	<u>-</u>	<u>35,935,370</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 91,538,171</u>	<u>\$ 1,507,998</u>	<u>\$ -</u>	<u>\$ 93,046,169</u>
Capital Assets, Net	<u>\$ 109,955,488</u>	<u>\$ 8,224,041</u>	<u>\$ 1,523,848</u>	<u>\$ 116,655,681</u>

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

General Government Support	\$ 213,845
Public Safety	237,316
Transportation	494,358
Culture and Recreation	265,908
Home and Community Services	<u>76,819</u>
Total Depreciation Expense	<u>\$ 1,288,246</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets – Component Units

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

Class	Balance at January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital Assets, not being depreciated: Land	\$ 308,750	\$ -	\$ -	\$ 308,750

F. Accrued Liabilities

Accrued liabilities at December 31, 2020 were as follows:

	General Fund	Water Fund	Section 8 Housing Fund	Other Governmental	Total
Payroll and Employee Benefits	\$ 563,865	\$ 33,087	\$ 12,081	\$ 6,355	\$ 615,388
Other	15,000	-	-	-	15,000
	<u>\$ 578,865</u>	<u>\$ 33,087</u>	<u>\$ 12,081</u>	<u>\$ 6,355</u>	<u>\$ 630,388</u>

G. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. The borrowings consisted of notes issued in anticipation of the collection of real property taxes for the 2020 fiscal year.

	Balance January 1, 2020	New Issues	Redemptions	Balance December 31, 2020
Tax Anticipation Note 2020	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000

The tax anticipation note was issued on July 15, 2020 and matures on January 15, 2021 with interest at 1.25%. Interest expense of \$17,604 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended December 31, 2020:

	Balance January 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2020	Due Within One Year
General Obligation Bonds Payable					
Bonds Payable					
Capital construction	\$ 51,265,000	\$ -	\$ 3,945,000	\$ 47,320,000	\$ 4,045,000
Other	1,885,000	-	550,000	1,335,000	555,000
	53,150,000	-	4,495,000	48,655,000	4,600,000
Plus					
Unamortized premium on bonds	264,344	-	22,536	241,808	-
	53,414,344	-	4,517,536	48,896,808	4,600,000
Notes Payable	238,642	4,803,012	273,919	4,767,735	397,365
Other Non-Current Liabilities					
Retirement Incentives and					
Other Pension	2,212,049	-	365,318	1,846,731	377,663
Compensated Absences	1,756,716	133,285	176,000	1,714,001	171,000
Total Pension Liability - Length of service awards program	4,217,887	516,664	155,040	4,579,511	-
Net Pension Liability	6,285,189	15,791,396	-	22,076,585	-
Landfill Closure Costs	1,000,000	-	-	1,000,000	-
Claims Payable	2,307,139	605,191	439,658	2,472,672	247,000
Other Post Employment Benefit Payable	189,668,597	6,899,579	18,745,751	177,822,425	-
Total Other Non- Current Liabilities	207,447,577	23,946,115	19,881,767	211,511,925	795,663
Total Long-Term Liabilities	\$ 261,100,563	\$ 28,749,127	\$ 24,673,222	\$ 265,176,468	\$ 5,793,028

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

General Obligation Bonds Payable

General Obligation Bonds payable at December 31, 2020 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2020
Tax Certiorari	2011	\$ 1,870,000	December, 2021	2.000 %	\$ 205,000
Other Purpose	2013	1,820,700	June, 2024	2.750-3.250	775,000
Public Improvements	2013	8,465,000	June, 2033	2.000-3.000	6,145,000
Tax Certiorari	2013	1,428,000	June, 2022	2.000	355,000
Public Improvements					
Refunding Bonds	2014	3,270,000	May, 2023	2.250-2.750	1,160,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	16,390,000	October, 2028	4.640-4.805	10,220,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	9,735,000	March, 2028	4.501-4.754	6,385,000
Public Improvements	2017	14,610,000	September, 2037	2.125-3.000	12,495,000
Public Improvements					
Refunding Bonds	2017	12,810,000	December, 2040	2.250-3.000	10,915,000
					<u>\$ 48,655,000</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$758,604, \$474,995 and \$11,110 were recorded in the fund financial statements in the General, Water and Sewer funds, respectively. Interest expense of \$1,329,757 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 2020, the City entered into a lease agreement to finance vehicles and an energy performance contract. The terms of the vehicles agreement provided for the repayment of the principal amount of \$323,062, with annual installments of \$115,312, including interest, with maturity in 2022. The terms of the energy performance contract agreement provided for the repayment of the principal amount of \$4,479,950, with an average annual installment of \$145,123, including interest, with maturity in 2039.

Interest expenses/expenditures of \$123,971 were recorded in the General Fund financial statements and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonds and notes outstanding as of December 31, 2020 including interest payments of \$9,560,239 are as follows:

Year Ending December 31,	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,600,000	\$ 1,136,804	\$ 397,365	\$ 129,215	\$ 4,997,365	\$ 1,266,019
2022	4,480,000	1,023,050	297,282	119,373	4,777,282	1,142,423
2023	4,415,000	898,868	191,000	110,344	4,606,000	1,009,212
2024	4,090,000	803,622	196,272	105,072	4,286,272	908,694
2025	3,945,000	692,848	197,949	99,656	4,142,949	792,504
2026-2030	15,860,000	2,304,056	1,098,806	411,651	16,958,806	2,715,707
2031-2035	7,340,000	1,147,275	1,254,750	251,968	8,594,750	1,399,243
2036-2040	3,925,000	255,375	1,134,311	71,062	5,059,311	326,437
	<u>\$ 48,655,000</u>	<u>\$ 8,261,898</u>	<u>\$ 4,767,735</u>	<u>\$ 1,298,341</u>	<u>\$ 53,422,735</u>	<u>\$ 9,560,239</u>

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

Legal Debt Margin

The City is subject to legal limitations on the amount of debt that it may issue. The City's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2020, that amount was \$1,776,40,423. As of December 31, 2020, the total outstanding debt applicable to the limit was \$48,896,808, which is 39% of the total debt limit.

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	\$ 61,680	\$ 128,969	\$ 63,531
2012 PFRS	564,252	60,534	126,572	62,350
2013 ERS	512,112	43,120	241,175	44,741
2013 PFRS	760,826	64,062	358,303	66,471
2014 ERS	533,602	43,402	294,239	44,921
2014 PFRS	424,594	34,535	234,129	35,744
2015 ERS	412,640	32,541	260,030	33,619
2015 PFRS	322,636	25,444	203,314	26,286
	<u>\$ 4,105,596</u>	<u>\$ 365,318</u>	<u>\$ 1,846,731</u>	<u>\$ 377,663</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

Note 3 - Detailed Notes on All Funds (Continued)

the written authorization of the City Manager. Sick days are allowed to be accumulated up to 200 days. Employees of the City, upon separation of service, who have accumulated a minimum 50 sick days, are compensated for 30% of their accumulated unused sick days above 50 days, computed at the employee's current rate of pay at the time of separation. The value of the compensated absences has been reflected in the government-wide financial statements.

I. Defined Benefit - Fire Service Awards Program

The City's financial statements are for the year ended December 31, 2020. 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, 2019, 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.

Note 3 - Detailed Notes on All Funds (Continued)

Participants covered by the benefit terms.

At the December 31, 2019 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	44
Inactive participants entitled to but not yet receiving benefits payments	30
Active participants	<u>56</u>
Total	<u><u>130</u></u>

Contributions

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

Measurement of Total Pension Liability

The total pension liability at the December 31, 2019 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 3.26%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019. 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.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total Pension Liability

Balance as of 12/31/18 measurement date	\$ 3,435,801
Service cost	44,322
Interest	123,887
Changes in assumptions or other inputs	180,557
Differences between expected and actual experience	43,600
Benefit payments	<u>(153,240)</u>
Balance as of 12/31/19 measurement date	<u>\$ 3,674,927</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, 2019 measurement date, calculated using the discount rate of 3.26%, 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 (2.26%) or 1-percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	<u>\$ 4,228,577</u>	<u>\$ 3,674,927</u>	<u>\$ 3,229,041</u>

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

For the year ended December 31, 2020, the City recognized pension expense of \$130,001 in the Government-wide financial statements. At December 31, 2020, 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	\$ 60,853	\$ 9,894
Changes of assumptions or other inputs	219,010	158,476
Benefit payments & administrative expenses subsequent to the measurement date	<u>214,240</u>	<u>-</u>
	<u>\$ 494,103</u>	<u>\$ 168,370</u>

\$214,240 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, 2021.

Note 3 - Detailed Notes on All Funds (Continued)

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

<u>Year Ended</u> <u>December 31,</u>	
2021	\$ 21,458
2022	58,013
2023	<u>32,022</u>
	<u>\$ 111,493</u>

Defined Benefit - Ambulance Service Awards Program

The City's financial statements are for the year ended December 31, 2020. 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, 2019, 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, 2019 measurement date, the following participants were covered by the benefit terms.

Note 3 - Detailed Notes on All Funds (Continued)

Inactive participants currently receiving benefits payments	1
Inactive participants entitled to but not yet receiving benefits payments	13
Active participants	<u>52</u>
Total	<u><u>66</u></u>

Contributions

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

Measurement of Total Pension Liability

The total pension liability at the December 31, 2019 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 3.26%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019. 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 12/31/18 measurement date	\$ 782,086
Service cost	58,115
Interest	30,551
Changes in assumptions or other inputs	63,547
Differences between expected and actual experience	(27,915)
Benefit payments	<u>(1,800)</u>
Balance as of 12/31/19 measurement date	<u><u>\$ 904,584</u></u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the City as of the December 31, 2019 measurement date, calculated

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

using the discount rate of 3.26%, 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 (2.26%) or 1-percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	<u>\$ 1,103,322</u>	<u>\$ 904,584</u>	<u>\$ 749,069</u>

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

For the year ended December 31, 2020, the City recognized pension expense of \$79,189 in the Ambulance Service Award Fund. At December 31, 2020, 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	\$ 32,337	\$ 86,591
Changes of assumptions or other inputs	125,483	129,625
Benefit payments & administrative expenses subsequent to the measurement date	<u>10,736</u>	<u>-</u>
	<u>\$ 168,556</u>	<u>\$ 216,216</u>

\$10,736 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, 2021.

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

Year Ended December 31,	
2021	\$ (4,270)
2022	(4,270)
2023	(4,270)
2024	(4,270)
2025	(4,270)
Thereafter	<u>(37,046)</u>
	<u>\$ (58,396)</u>

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Employees' Retirement System

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.6%
	3 A14	16.1
	4 A15	16.1
	5 A15	13.4
	6 A15	9.6
PFRS	2 384D	25.6%
	2 384E	26.8
	3 A14PF	25.7
	5 384D	21.0
	6 375I	9.8
	6 384D	15.7
	6 384E	16.6

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2020, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	ERS	PFRS
Measurement date	March 31, 2020	March 31, 2020
Net pension liability	\$ 9,255,446	\$ 12,821,139
City's proportion of the net pension liability	0.0349518%	0.2398745%
Change in proportion since the prior measurement date	0.0021283%	0.0037745%

The net pension liability was measured as of March 31, 2020 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, 2020, the City recognized its proportionate share of pension expense in the government-wide financial statements of \$3,218,955 for ERS and \$4,558,655 for PFRS. Pension expenditures of \$1,307,690 for ERS and \$2,117,653 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Fund	ERS	PFRS
General	\$ 861,402	\$ 2,117,653
Water	247,003	-
Sewer	126,734	-
Section 8 Housing	72,551	-
Total	<u>\$ 1,307,690</u>	<u>\$ 2,117,653</u>

At December 31, 2020, the City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 544,720	\$ -	\$ 853,753	\$ 214,753	\$ 1,398,473	\$ 214,753
Changes of assumptions	186,361	160,919	1,095,897	-	1,282,258	160,919
Net difference between projected and actual earnings on pension plan investments	4,744,792	-	5,773,762	-	10,518,554	-
Changes in proportion and differences between City contributions and proportionate share of contributions	306,891	83,559	152,051	105,285	458,942	188,844
City contributions subsequent to the measurement date	938,354	-	1,532,479	-	2,470,833	-
	<u>\$ 6,721,118</u>	<u>\$ 244,478</u>	<u>\$ 9,407,942</u>	<u>\$ 320,038</u>	<u>\$ 16,129,060</u>	<u>\$ 564,516</u>

Note 3 - Detailed Notes on All Funds (Continued)

\$938,354 and \$1,532,479 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, 2021. 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
2021	\$ 963,722	\$ 1,604,510
2022	1,416,545	1,764,435
2023	1,764,730	2,235,423
2024	1,393,289	1,863,347
2025	-	87,710
	<u>\$ 5,538,286</u>	<u>\$ 7,555,425</u>

The total pension liability for the March 31, 2020 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, 2019 valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2020	March 31, 2020
Actuarial valuation date	April 1, 2019	April 1, 2019
Investment rate of return	6.8%	6.8%
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-2018.

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.

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 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	-
Inflation Indexed Bonds	4	0.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%

The discount rate used to calculate the total pension liability was 6.8%. 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 6.8%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
City's proportionate share of the ERS net pension liability	<u>\$ 16,986,357</u>	<u>\$ 9,255,446</u>	<u>\$ 2,135,245</u>
City's proportionate share of the PFRS net pension liability	<u>\$ 22,924,458</u>	<u>\$ 12,821,139</u>	<u>\$ 3,773,388</u>

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2020 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 194,596,261,000	\$ 35,309,017,000	\$ 229,905,278,000
Fiduciary net position	168,115,682,000	29,964,080,000	198,079,762,000
Employers' net pension liability	<u>\$ 26,480,579,000</u>	<u>\$ 5,344,937,000</u>	<u>\$ 31,825,516,000</u>
Fiduciary net position as a percentage of total pension liability	<u>86.39%</u>	<u>84.86%</u>	<u>86.16%</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, 2020 represent the employer contribution for the period of April 1, 2020 through December 31, 2020 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, 2020 were \$938,354 and \$1,532,479, respectively.

Voluntary Defined Contribution Plan

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

Landfill Closure Costs

State and Federal laws and regulations require the closure of the former City landfill site. The amount of \$1,000,000 is reported as a landfill closure costs liability in the government-wide financial statements at December 31, 2020. 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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

that are considered to be appropriate modifiers of past experience. An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	General Liability and Casualty	Workers' Compensation	General Liability and Casualty	Workers' Compensation
Balance - Beginning of Year	\$ 1,491,405	\$ 815,734	\$ 1,371,389	\$ 1,052,391
Provision for Claims and Claims Adjustment Expenses	558,425	46,766	243,459	12,849
Claims and Claims Adjustment Expenses Paid	(268,397)	(171,261)	(123,443)	(249,506)
Balance - End of Year	<u>\$ 1,781,433</u>	<u>\$ 691,239</u>	<u>\$ 1,491,405</u>	<u>\$ 815,734</u>
Due Within One Year	<u>\$ 178,000</u>	<u>\$ 69,000</u>	<u>\$ 149,000</u>	<u>\$ 82,000</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, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	182
Active employees	<u>198</u>
	<u>380</u>

The City's total OPEB liability of \$177,822,425 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the January 1, 2020 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	2.02%
Healthcare cost trend rates	8.0% for 2020, 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 Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

The actuarial assumptions used in the January 1, 2020 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, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 189,668,597
Service cost	3,111,596
Interest	3,787,983
Changes in assumptions or other inputs	(14,456,350)
Benefit payments	<u>(4,289,401)</u>
Total OPEB Liability - End of Year	<u><u>\$ 177,822,425</u></u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.02%) or 1 percentage point higher (3.02%) than the current discount rate:

	1% Decrease (1.02%)	Current Discount Rate (2.02%)	1% Increase (3.02%)
Total OPEB Liability	<u><u>\$ 222,109,631</u></u>	<u><u>\$ 177,822,425</u></u>	<u><u>\$ 145,454,782</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (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	<u>\$ 143,883,477</u>	<u>\$ 177,822,425</u>	<u>\$ 224,565,197</u>

For the year ended December 31, 2020, the City recognized OPEB expense of \$10,547,869 in the government-wide financial statements. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 25,568,052</u>	<u>\$ 12,900,231</u>

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

<u>Year Ended December 31,</u>	
2020	\$ 1,528,085
2021	1,528,085
2022	1,528,085
2023	1,528,085
2024	1,528,085
Thereafter	<u>5,027,396</u>
	<u>\$ 12,667,821</u>

Note 3 - Detailed Notes on All Funds (Continued)

J. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers In		Total
	General Fund	Capital Projects Fund	
Water Fund	\$ 255,000	\$ -	\$ 255,000
Section 8 Housing Fund	98,000	-	98,000
Non-Major Governmental Funds	305,000	175,000	480,000
	<u>\$ 658,000</u>	<u>\$ 175,000</u>	<u>\$ 833,000</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.

K. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2020, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 103,838
Water Fund	229,705
Non-Major Governmental Funds	<u>21,667</u>
Total	<u>\$ 355,210</u>

L. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

M. Fund Balance

	2020					
	General Fund	Capital Projects Fund	Water Fund	Section 8 Housing Fund	Community Development Fund	Non-Major Governmental Funds
Total						
Nonspendable						
Prepaid expenditures	\$ 1,134,582	\$ -	\$ 96,955	\$ -	\$ -	\$ 58,641
Inventories	-	-	210,467	-	-	-
Permanent fund	-	-	-	-	-	100,000
Long-term receivables	459,141	-	-	-	-	-
Total Nonspendable	1,593,723	-	307,422	-	-	158,641
Restricted						
Liability and casualty claims	353,481	-	-	-	-	-
Workers compensation	247,627	-	-	-	-	-
Debt service - Fire House	4,461,300	-	-	-	-	-
Permanent	-	-	-	-	-	2,334
Special purpose	-	-	-	-	-	68,581
Fire service award program	2,733,258	-	-	-	-	-
Ambulance service award program	833,414	-	-	-	-	-
Section 8 Housing	-	-	-	543,510	-	-
Community Development	-	-	-	-	1,877,425	-
Total Restricted	8,629,080	-	-	543,510	1,877,425	70,915
Committed						
State retirement systems expenditures	300,000	-	-	-	-	-
Tax stabilization	573,975	-	-	-	-	-
Capital improvements in City parks	-	-	-	-	-	1,045,366
Total Committed	873,975	-	-	-	-	1,045,366
Assigned						
Purchases on order						
General government support	29,136	-	-	-	-	-
Public safety	54,935	-	-	-	-	-
Transportation	12,162	-	-	-	-	-
Economic opportunity and development	-	-	-	-	-	-
Culture and recreation	2,050	-	-	-	-	-
Home and community services	5,555	-	229,705	-	-	21,667
	103,838	-	229,705	-	-	21,667
Subsequent year's expenditures	2,051,000	-	-	-	-	-
Tax certiorari payments	170,080	-	-	-	-	-
Major funds	-	-	4,571,162	-	-	-
Non-major funds						
Sewer	-	-	-	-	-	2,251,384
Debt service	-	-	-	-	-	-
Total Assigned	2,324,918	-	4,800,867	-	-	2,273,051
Unassigned	5,512,804	(107,909)	-	-	-	-
Total Fund Balances (Deficits)	\$ 18,934,500	\$ (107,909)	\$ 5,108,289	\$ 543,510	\$ 1,877,425	\$ 3,547,973
						\$ 29,903,788

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

	2019						
	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
Inventories	-	-	237,088	-	-	-	237,088
Permanent fund	-	-	-	-	-	100,000	100,000
Long-term receivables	205,695	-	-	-	-	-	205,695
Total Nonspendable	1,358,529	-	335,999	-	-	152,467	1,846,995
Restricted							
Liability and casualty claims	351,722	-	-	-	-	-	351,722
Workers compensation	246,395	-	-	-	-	-	246,395
Debt service - Fire House	4,440,009	-	-	-	-	-	4,440,009
Permanent	-	-	-	-	-	2,270	2,270
Special purpose	-	-	-	-	-	64,596	64,596
Fire service award program	2,604,702	-	-	-	-	-	2,604,702
Ambulance service award program	733,311	-	-	-	-	-	733,311
Section 8 Housing	-	-	-	89,141	-	-	89,141
Community Development	-	-	-	-	1,934,417	-	1,934,417
Total Restricted	8,376,139	-	-	89,141	1,934,417	66,866	10,466,563
Committed							
State retirement systems expenditures	300,000	-	-	-	-	-	300,000
Tax stabilization	573,975	-	-	-	-	-	573,975
Capital improvements in City parks	-	-	-	-	-	838,356	838,356
Total Committed	873,975	-	-	-	-	838,356	1,712,331
Assigned							
Purchases on order							
General government support	12,460	-	-	-	-	-	12,460
Public safety	22,092	-	-	-	-	-	22,092
Transportation	17,095	-	-	-	-	-	17,095
Economic opportunity and development	-	-	-	-	-	-	-
Culture and recreation	1,251	-	-	-	-	-	1,251
Home and community services	11,342	-	178,222	-	-	856	190,420
	64,240	-	178,222	-	-	856	243,318
Subsequent year's expenditures	1,537,000	-	-	-	-	-	1,537,000
Tax certiorari payments	270,695	-	-	-	-	-	270,695
Major funds	-	-	2,227,315	-	-	-	2,227,315
Non-major funds							
Sewer	-	-	-	-	-	2,001,448	2,001,448
Debt service	-	-	-	-	-	-	-
Total Assigned	1,871,935	-	2,405,537	-	-	2,002,304	6,279,776
Unassigned	4,802,441	(272,944)	-	-	-	-	4,529,497
Total Fund Balances (Deficits)	\$ 17,283,019	\$ (272,944)	\$ 2,741,536	\$ 89,141	\$ 1,934,417	\$ 3,059,993	\$ 24,835,162

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

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

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

Subsequent year's expenditures represent that at December 31, 2020 the City Council has assigned the above amounts to be appropriated for the ensuing year's budget.

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The 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 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.

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

B. Risk Management

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

E. Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and towns by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and town aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority. Such measures have already impacted the state aid revenues reported by the Town for the year ended December 31, 2020.

In addition to these New York State actions, the Town's economically sensitive revenues (i.e., sales tax distributions, mortgage tax, interest earnings, charges for services) are being negatively impacted. Meanwhile, the Town's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support a safe working environment) will increase significantly.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Town's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Town. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Town's future financial position at this time.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

Note 6 - Tax Abatements

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

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

City of Peekskill, New York

Notes to Financial Statements (Concluded)

December 31, 2020

Note 6 - Tax Abatements (Continued)

Copies of the agreements may be obtained from Matthew Alexander, Comptroller, 840 Main Street, Peekskill, NY 10566, malexander@cityofpeekskill.com. Information relevant to disclosure of these agreements for the year ended December 31, 2020 is as follows:

Agreement	Taxable Assessed Value	City Tax Rate	City Tax Value	City PILOT Received	City Taxes Abated
64 JWB LLC	\$ 247,300	\$ 273.666	\$ 67,678	\$ 106,094	\$ (38,416)
Barham House LLC	360,000	273.666	98,520	47,463	51,057
Courtyard Housing LLC	501,750	273.666	137,312	43,216	94,096
The Giulante Family Limited	75,000	273.666	20,525	32,176	(11,651)
DP49 LLC	257,800	273.666	70,551	40,803	29,748
Drum Hill Senior Living Project	210,900	273.666	57,716	144,603	(86,887)
Hotel LLC	300,000	273.666	82,100	2,574	79,526
Peekskill Artloft Owners	62,000	273.666	16,967	71,765	(54,798)
Peekskill Housing	792,000	273.666	216,743	44,964	171,779
Resco (HHSD)	17,746,000	273.666	4,856,471	2,154,917	2,701,554
Resco (PCSD)	28,954,000	273.666	7,923,716	3,765,917	4,157,799
The Abbey At Fort Hill, LLC	119,100	273.666	32,594	21,010	11,584
Stuhr Gardens Associates LLC	516,022	273.666	141,218	139,029	2,189
Wesley Hall Apartments	433,600	273.666	118,661	62,630	56,031
Total	<u>\$ 50,575,472</u>		<u>\$ 13,840,772</u>	<u>\$ 6,677,161</u>	<u>\$ 7,163,611</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

(This page intentionally left blank)

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)

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 3,111,596	\$ 1,716,245	\$ 1,392,789
Interest	3,787,983	5,527,992	5,637,408
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs	(14,456,350) (5)	32,582,606 (4)	-
Benefit payments	(4,289,401)	(3,684,113)	(3,714,321)
Net Change in Total OPEB Liability	(11,846,172)	36,142,730	3,315,876
Total OPEB Liability – Beginning of Year	189,668,597	153,525,867	150,209,991 (3)
Total OPEB Liability – End of Year	<u>\$ 177,822,425</u>	<u>\$ 189,668,597</u>	<u>\$ 153,525,867</u>
City's covered-employee payroll	<u>\$ 16,601,478</u>	<u>\$ 16,436,040</u>	<u>\$ 16,436,040</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>1071.12%</u>	<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.

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

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)

	2020 (4) (5)	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	<u>0.0349518%</u>	<u>0.0328235%</u>	<u>0.0314608%</u>	<u>0.0304623%</u>	<u>0.0343634%</u>	<u>0.0337201%</u>
City's proportionate share of the net pension liability	<u>\$ 9,255,446</u>	<u>\$ 2,325,643</u>	<u>\$ 1,015,381</u>	<u>\$ 2,862,302</u>	<u>\$ 5,515,425</u>	<u>\$ 1,139,149</u>
City's covered payroll	<u>\$ 9,549,592</u>	<u>\$ 9,450,409</u>	<u>\$ 9,354,125</u>	<u>\$ 8,810,715</u>	<u>\$ 8,226,192</u>	<u>\$ 8,387,391</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>96.92%</u>	<u>24.61%</u>	<u>10.85%</u>	<u>32.49%</u>	<u>67.05%</u>	<u>13.58%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

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

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

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

(3) 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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

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

See independent auditors' report.

City of Peekskill, New York

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

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

	2020 (4) (5)	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	<u>0.2398745%</u>	<u>0.2361000%</u>	<u>0.2344788%</u>	<u>0.2314847%</u>	<u>0.2700003%</u>	<u>0.2583584%</u>
City's proportionate share of the net pension liability	<u>\$ 12,821,139</u>	<u>\$ 3,959,546</u>	<u>\$ 2,370,011</u>	<u>\$ 4,797,873</u>	<u>\$ 7,994,133</u>	<u>\$ 711,156</u>
City's covered payroll	<u>\$ 9,205,765</u>	<u>\$ 9,132,541</u>	<u>\$ 9,262,166</u>	<u>\$ 8,615,754</u>	<u>\$ 8,377,415</u>	<u>\$ 8,609,537</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>139.27%</u>	<u>43.36%</u>	<u>25.59%</u>	<u>55.69%</u>	<u>95.42%</u>	<u>8.26%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,340,698</u>	<u>\$ 2,241,791</u>	<u>\$ 2,330,862</u>	<u>\$ 2,301,594</u>	<u>\$ 2,202,962</u>	<u>\$ 1,988,000</u>
Contributions in relation to the contractually required contribution	<u>(2,340,698)</u>	<u>(2,241,791)</u>	<u>(2,330,862)</u>	<u>(2,301,594)</u>	<u>(2,202,962)</u>	<u>(1,988,000)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 9,206,753</u>	<u>\$ 9,054,398</u>	<u>\$ 9,336,993</u>	<u>\$ 9,114,808</u>	<u>\$ 8,543,817</u>	<u>\$ 8,666,097</u>
Contributions as a percentage of covered payroll	<u>25.42%</u>	<u>24.76%</u>	<u>24.96%</u>	<u>25.25%</u>	<u>25.78%</u>	<u>22.94%</u>

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

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

(3) 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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

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

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

	* 2019	* 2018	* 2017	* 2016
Total Pension Liability				
Service Cost	\$ 44,322	\$ 61,779	\$ 55,650	\$ 74,287
Interest	123,887	112,423	121,566	110,747
Changes of assumptions or other inputs	180,557	(232,718)	258,867	(244,929)
Differences between expected and actual experience	43,600	63,552	(28,447)	17,141
Benefit payments	(153,240)	(130,340)	(135,171)	(110,300)
Net change in total pension liability	239,126	(125,304)	272,465	(153,054)
Total pension liability – beginning	3,435,801	3,561,105	3,288,640	3,441,694
Total pension liability – ending	\$ 3,674,927	\$ 3,435,801	\$ 3,561,105	\$ 3,288,640
Covered payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary information

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

December 31, 2016: 3.71%
 December 31, 2017: 3.16%
 December 31, 2018: 3.64%
 December 31, 2018: 3.26%

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

	* 2019	* 2018	* 2017	* 2016
Total Pension Liability				
Service Cost	\$ 58,115	\$ 60,542	\$ 54,562	\$ 58,901
Interest	30,551	26,172	27,643	23,136
Changes of assumptions or other inputs	63,547	(78,012)	78,468	(77,880)
Differences between expected and actual experience	(27,915)	16,977	(72,233)	22,272
Benefit payments	(1,800)	(22,559)	-	-
Net change in total pension liability	122,498	3,120	88,440	26,429
Total pension liability – beginning	782,086	778,966	690,526	664,097
Total pension liability – ending	\$ 904,584	\$ 782,086	\$ 778,966	\$ 690,526
Covered payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary information

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

December 31, 2016: 3.71%
 December 31, 2017: 3.16%
 December 31, 2018: 3.64%
 December 31, 2019: 3.26%

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.

(This page intentionally left blank)

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.

(This page intentionally left blank)

City of Peekskill, New York

General Fund
Combining Balance Sheet - Sub-Funds
December 31, 2020
(With Comparative Totals for 2019)

		Fire Service Awards Program	Ambulance Service Awards Program	Totals	
	General			2020	2019
ASSETS					
Cash and equivalents	\$ 13,764,308	\$ -	\$ -	\$ 13,764,308	\$ 9,463,120
Investments	-	2,733,258	833,414	3,566,672	3,211,283
Taxes receivable					
City taxes	683,714	-	-	683,714	507,793
County taxes	275,055	-	-	275,055	174,410
School districts taxes	844,849	-	-	844,849	713,631
Installment agreements	145,912	-	-	145,912	302,998
	1,949,530	-	-	1,949,530	1,698,832
Other receivables					
Accounts	397,900	-	-	397,900	420,008
State and Federal aid	1,930,713	-	-	1,930,713	1,306,317
Due from other governments	813,861	-	-	813,861	743,113
Due from other funds	1,784,920	-	-	1,784,920	1,797,201
Due from fiduciary fund	53,085	-	-	53,085	455,172
	4,980,479	-	-	4,980,479	4,721,811
Prepaid expenditures	1,134,582	-	-	1,134,582	1,152,834
Total Assets	<u>\$ 21,828,899</u>	<u>\$ 2,733,258</u>	<u>\$ 833,414</u>	<u>\$ 25,395,571</u>	<u>\$ 20,247,880</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 666,769	\$ -	\$ -	\$ 666,769	\$ 658,077
Accrued liabilities	578,865	-	-	578,865	277,551
Due to other governments	54,656	-	-	54,656	-
Deposits payable	1,020,031	-	-	1,020,031	871,350
Employee payroll tax deductions	371,708	-	-	371,708	308,793
Tax Anticipation Note Payable	3,000,000	-	-	3,000,000	-
Due to other funds	-	-	-	-	-
Unearned revenues	20,826	-	-	20,826	142,460
Total Liabilities	5,712,855	-	-	5,712,855	2,258,231
Deferred inflows of resources					
Deferred tax revenues	748,216	-	-	748,216	706,630
Total Liabilities and Deferred Inflows of Resources	6,461,071	-	-	6,461,071	2,964,861
Fund balances					
Nonspendable	1,593,723	-	-	1,593,723	1,358,529
Restricted	5,062,408	2,733,258	833,414	8,629,080	8,376,139
Committed	873,975	-	-	873,975	873,975
Assigned	2,324,918	-	-	2,324,918	1,871,935
Unassigned	5,512,804	-	-	5,512,804	4,802,441
Total Fund Balances	15,367,828	2,733,258	833,414	18,934,500	17,283,019
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,828,899</u>	<u>\$ 2,733,258</u>	<u>\$ 833,414</u>	<u>\$ 25,395,571</u>	<u>\$ 20,247,880</u>

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, 2020
(With Comparative Totals for 2019)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Eliminations
REVENUES				
Real property taxes	\$ 17,186,004	\$ -	\$ -	\$ -
Other tax items	7,983,323	-	-	-
Non-property taxes	5,737,077	-	-	-
Departmental income	3,524,077	90,142	-	(90,142)
Charges for services	147,431	-	-	-
Use of money and property	379,341	246,171	110,182	-
Licenses and permits	825,182	-	-	-
Fines and forfeitures	467,634	-	-	-
Sale of property and compensation for loss	2,251	-	-	-
State aid	2,781,085	-	-	-
Federal aid	272,782	-	-	-
Miscellaneous	226,324	-	-	-
Total Revenues	39,532,511	336,313	110,182	(90,142)
EXPENDITURES				
Current				
General government support	4,440,270	-	-	-
Public safety	13,147,918	207,757	-	(90,142)
Health	391,595	-	10,079	-
Transportation	2,101,841	-	-	-
Economic opportunity and development	528,741	-	-	-
Culture and recreation	1,956,509	-	-	-
Home and community services	2,336,690	-	-	-
Employee benefits	10,513,064	-	-	-
Debt service				
Principal	2,609,819	-	-	-
Interest	882,575	-	-	-
Total Expenditures	38,909,022	207,757	10,079	(90,142)
Excess (Deficiency) of Revenues Over Expenditures	623,489	128,556	100,103	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	141,333	-	-	-
Transfers in	658,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	799,333	-	-	-
Net Change in Fund Balances	1,422,822	128,556	100,103	-
FUND BALANCES				
Beginning of Year	13,945,006	2,604,702	733,311	-
End of Year	\$ 15,367,828	\$ 2,733,258	\$ 833,414	\$ -

See independent auditors' report.

Totals	
2020	2019
\$ 17,186,004	\$ 16,946,996
7,983,323	8,894,054
5,737,077	5,046,559
3,524,077	4,478,094
147,431	234,651
735,694	820,927
825,182	477,738
467,634	974,223
2,251	72,229
2,781,085	2,903,367
272,782	426,201
226,324	213,372
39,888,864	41,488,411
4,440,270	4,380,526
13,265,533	12,774,010
401,674	266,499
2,101,841	2,552,059
528,741	573,087
1,956,509	2,712,973
2,336,690	2,546,963
10,513,064	10,586,830
2,609,819	2,699,383
882,575	828,787
39,036,716	39,921,117
852,148	1,567,294
141,333	54,865
658,000	757,895
-	(1,410,000)
799,333	(597,240)
1,651,481	970,054
17,283,019	16,312,965
\$ 18,934,500	\$ 17,283,019

(This page intentionally left blank)

City of Peekskill, New York

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

	2020	2019
ASSETS		
Cash and equivalents	\$ 13,764,308	\$ 9,463,120
Taxes receivable		
City taxes	683,714	507,793
County taxes	275,055	174,410
Delinquent school districts taxes	844,849	713,631
Installment agreements	145,912	302,998
	<u>1,949,530</u>	<u>1,698,832</u>
Other receivables		
Accounts	397,900	293,278
State and Federal aid	1,930,713	1,306,317
Due from other governments	813,861	743,113
Due from other funds	1,784,920	1,797,201
Due from fiduciary fund	53,085	455,172
	<u>4,980,479</u>	<u>4,595,081</u>
Prepaid expenditures	<u>1,134,582</u>	<u>1,152,834</u>
Total Assets	<u>\$ 21,828,899</u>	<u>\$ 16,909,867</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 666,769	\$ 658,077
Accrued liabilities	578,865	277,551
Due to other governments	54,656	-
Deposits payable	1,020,031	871,350
Employee payroll tax deductions	371,708	308,793
Tax anticipation note payable	3,000,000	-
Unearned revenues	20,826	142,460
Total Liabilities	<u>5,712,855</u>	<u>2,258,231</u>
Deferred inflows of resources		
Deferred tax revenues	<u>748,216</u>	<u>706,630</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,461,071</u>	<u>2,964,861</u>
Fund balance		
Nonspendable	1,593,723	1,358,529
Restricted	5,062,408	5,038,126
Committed	873,975	873,975
Assigned	2,324,918	1,871,935
Unassigned	5,512,804	4,802,441
Total Fund Balance	<u>15,367,828</u>	<u>13,945,006</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 21,828,899</u>	<u>\$ 16,909,867</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,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 17,260,000	\$ 17,260,000	\$ 17,186,004	\$ (73,996)
Other tax items	7,855,635	7,855,635	7,983,323	127,688
Non-property taxes	5,360,000	5,360,000	5,737,077	377,077
Departmental income	4,382,365	4,434,431	3,524,077	(910,354)
Charges for services	230,000	230,000	147,431	(82,569)
Use of money and property	357,500	357,500	379,341	21,841
Licenses and permits	553,500	553,500	825,182	271,682
Fines and forfeitures	1,100,000	1,100,000	467,634	(632,366)
Sale of property and compensation for loss	30,000	30,000	2,251	(27,749)
State aid	2,817,000	2,817,000	2,781,085	(35,915)
Federal aid	205,000	630,768	272,782	(357,986)
Miscellaneous	134,000	134,000	226,324	92,324
Total Revenues	40,285,000	40,762,834	39,532,511	(1,230,323)
EXPENDITURES				
Current				
General government support	4,821,708	4,527,057	4,440,270	86,787
Public safety	13,545,635	13,132,807	13,147,918	(15,111)
Health	372,000	372,000	391,595	(19,595)
Transportation	2,525,824	2,660,978	2,101,841	559,137
Economic opportunity and development	559,296	601,069	528,741	72,328
Culture and recreation	2,605,745	2,530,300	1,956,509	573,791
Home and community services	2,503,106	2,555,155	2,336,690	218,465
Employee benefits	11,322,000	11,335,955	10,513,064	822,891
Debt service				
Principal	2,700,405	2,724,087	2,609,819	114,268
Interest	878,521	913,963	882,575	31,388
Total Expenditures	41,834,240	41,353,371	38,909,022	2,444,349
Excess (Deficiency) of Revenues Over Expenditures	(1,549,240)	(590,537)	623,489	1,214,026
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	50,000	50,000	141,333	91,333
Transfers in	798,000	798,000	658,000	(140,000)
Transfers out	(900,000)	(900,000)	-	900,000
Total Other Financing Sources (Uses)	(52,000)	(52,000)	799,333	851,333
Net Change in Fund Balance	(1,601,240)	(642,537)	1,422,822	2,065,359
FUND BALANCE				
Beginning of Year	1,601,240	642,537	13,945,006	13,302,469
End of Year	\$ -	\$ -	\$ 15,367,828	\$ 15,367,828

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 16,990,000	\$ 16,990,000	\$ 16,946,996	\$ (43,004)
7,909,900	7,909,900	8,894,054	984,154
4,560,000	4,560,000	5,046,559	486,559
4,298,850	4,397,686	4,478,094	80,408
230,000	230,000	234,651	4,651
307,500	307,500	400,294	92,794
481,000	481,000	477,738	(3,262)
1,070,000	1,070,000	974,223	(95,777)
30,000	30,000	72,229	42,229
2,767,000	2,767,000	2,903,367	136,367
212,750	766,607	426,201	(340,406)
194,000	194,000	213,372	19,372
<u>39,051,000</u>	<u>39,703,693</u>	<u>41,067,778</u>	<u>1,364,085</u>
4,648,659	4,156,415	4,380,526	(224,111)
13,558,024	13,229,550	12,710,977	518,573
367,000	230,710	293,075	(62,365)
2,419,685	2,720,961	2,552,059	168,902
525,587	648,515	573,087	75,428
2,437,131	3,231,159	2,712,973	518,186
2,425,942	2,660,512	2,546,963	113,549
10,936,227	10,927,625	10,586,830	340,795
2,780,244	2,780,244	2,699,383	80,861
839,205	839,205	828,787	10,418
<u>40,937,704</u>	<u>41,424,896</u>	<u>39,884,660</u>	<u>1,540,236</u>
<u>(1,886,704)</u>	<u>(1,721,203)</u>	<u>1,183,118</u>	<u>2,904,321</u>
50,000	50,000	54,865	4,865
928,000	978,840	757,895	(220,945)
<u>(710,000)</u>	<u>(910,000)</u>	<u>(1,410,000)</u>	<u>(500,000)</u>
<u>268,000</u>	<u>118,840</u>	<u>(597,240)</u>	<u>(716,080)</u>
<u>(1,618,704)</u>	<u>(1,602,363)</u>	<u>585,878</u>	<u>2,188,241</u>
<u>1,618,704</u>	<u>1,602,363</u>	<u>13,359,128</u>	<u>11,756,765</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,945,006</u>	<u>\$ 13,945,006</u>

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REAL PROPERTY TAXES	\$ 17,260,000	\$ 17,260,000	\$ 17,186,004	\$ (73,996)	\$ 16,946,996
OTHER TAX ITEMS					
Interest and penalties on real property taxes	480,000	480,000	248,033	(231,967)	424,781
Gain on sale of tax acquired property	300,000	300,000	-	(300,000)	591,185
Payments in lieu of taxes	6,575,635	6,575,635	6,677,161	101,526	6,446,712
Real estate transfer tax	500,000	500,000	1,058,129	558,129	1,431,376
	7,855,635	7,855,635	7,983,323	127,688	8,894,054
NON-PROPERTY TAXES					
Non-property tax distribution from County	4,600,000	4,600,000	4,888,510	288,510	4,315,012
Utilities gross receipts taxes	300,000	300,000	295,903	(4,097)	295,020
Hotel tax	160,000	160,000	153,298	(6,702)	150,876
Cable television franchise fees	300,000	300,000	399,366	99,366	285,651
	5,360,000	5,360,000	5,737,077	377,077	5,046,559
DEPARTMENTAL INCOME					
Charges for tax advertising	4,000	4,000	750	(3,250)	1,825
Comptroller's fees	50,000	50,000	72,362	22,362	36,553
Assessor's fees	500	500	50	(450)	2,110
City Clerk fees	6,500	6,500	4,062	(2,438)	8,498
Police fees	66,115	66,115	50,022	(16,093)	56,710
Vital statistics	9,000	9,000	8,766	(234)	8,328
Ambulance charges	60,000	60,000	81,834	21,834	81,883
Public works fees	28,000	28,000	21,811	(6,189)	23,780
Parking lots and garages	1,214,550	1,214,550	699,910	(514,640)	1,212,811
Parks and recreation charges	292,000	292,000	31,319	(260,681)	274,780
Concessions and rentals	67,200	67,200	43,896	(23,304)	66,990
Pool and marina charges	106,000	106,000	24,951	(81,049)	101,028
Other recreation income	22,000	22,000	1,535	(20,465)	22,366

Zoning and Planning Board fees	37,500	37,500	58,810	21,310	55,500
Sale of electric power	1,885,000	1,885,000	1,885,000	-	1,885,000
Dumpster fees	360,000	360,000	321,883	(38,117)	327,999
Recycling fees	110,000	110,000	120,000	10,000	110,000
Participant's contributions - Nutrition programs	60,000	60,000	64,140	4,140	81,115
Youth programs - Westchester County L.I.F.T. grant	-	52,066	18,384	(33,682)	92,643
Youth programs - Various	-	-	-	-	61
Other departmental income	4,000	4,000	14,592	10,592	28,114
	<u>4,382,365</u>	<u>4,434,431</u>	<u>3,524,077</u>	<u>(910,354)</u>	<u>4,478,094</u>
CHARGES FOR SERVICES					
County prisoner transportation	200,000	200,000	100,000	(100,000)	159,801
Snow removal	30,000	30,000	47,431	17,431	74,850
	<u>230,000</u>	<u>230,000</u>	<u>147,431</u>	<u>(82,569)</u>	<u>234,651</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	60,000	60,000	50,985	(9,015)	82,982
Rentals of real property	297,500	297,500	328,356	30,856	317,312
	<u>357,500</u>	<u>357,500</u>	<u>379,341</u>	<u>21,841</u>	<u>400,294</u>
LICENSES AND PERMITS					
Business and occupational licenses	51,500	51,500	39,525	(11,975)	43,131
Bingo licenses	1,500	1,500	-	(1,500)	1,121
Dog licenses and apportionment	5,500	5,500	3,306	(2,194)	4,634
Marriage licenses	7,000	7,000	4,666	(2,334)	7,138
Other licenses	1,000	1,000	-	(1,000)	211
Public safety permits	5,000	5,000	5,785	785	2,160
Building permits	200,000	200,000	486,951	286,951	148,471
Street opening permits	20,000	20,000	53,433	33,433	16,850
Plumbing permits	110,000	110,000	70,443	(39,557)	102,025
Other permits	152,000	152,000	161,073	9,073	151,997
	<u>553,500</u>	<u>553,500</u>	<u>825,182</u>	<u>271,682</u>	<u>477,738</u>

(Continued)

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
FINES AND FORFEITURES	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 467,634</u>	<u>\$ (632,366)</u>	<u>\$ 974,223</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	<u>30,000</u>	<u>30,000</u>	<u>2,251</u>	<u>(27,749)</u>	<u>72,229</u>
STATE AID					
Mortgage tax	500,000	500,000	566,046	66,046	578,631
Court facilities aid	93,000	93,000	102,912	9,912	95,415
Per capita	2,219,000	2,219,000	2,108,415	(110,585)	2,219,384
Public safety grants	<u>5,000</u>	<u>5,000</u>	<u>3,712</u>	<u>(1,288)</u>	<u>9,937</u>
	<u>2,817,000</u>	<u>2,817,000</u>	<u>2,781,085</u>	<u>(35,915)</u>	<u>2,903,367</u>
FEDERAL AID					
Mental Health	-	-	-	-	200,583
Workforce Investment Act	25,000	450,768	113,430	(337,338)	98,754
Nutrition for the Elderly - Title IIIC	<u>180,000</u>	<u>180,000</u>	<u>159,352</u>	<u>(20,648)</u>	<u>126,864</u>
	<u>205,000</u>	<u>630,768</u>	<u>272,782</u>	<u>(357,986)</u>	<u>426,201</u>
MISCELLANEOUS					
Gifts and donations	-	-	300	300	6,900
Police overtime reimbursement	100,000	100,000	140,594	40,594	170,430
Other	<u>34,000</u>	<u>34,000</u>	<u>85,430</u>	<u>51,430</u>	<u>36,042</u>
	<u>134,000</u>	<u>134,000</u>	<u>226,324</u>	<u>92,324</u>	<u>213,372</u>
TOTAL REVENUES	<u>40,285,000</u>	<u>40,762,834</u>	<u>39,532,511</u>	<u>(1,230,323)</u>	<u>41,067,778</u>

OTHER FINANCING SOURCES

Insurance recoveries	<u>50,000</u>	<u>50,000</u>	<u>141,333</u>	<u>91,333</u>	<u>54,865</u>
Transfers in					
Water Fund	700,000	700,000	255,000	(445,000)	255,000
Sewer Fund	-	-	305,000	305,000	305,000
Recreation Fund	-	-	-	-	50,840
Community Development Fund	98,000	98,000	98,000	-	98,000
Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,055</u>
	<u>798,000</u>	<u>798,000</u>	<u>658,000</u>	<u>(140,000)</u>	<u>757,895</u>
TOTAL OTHER FINANCING SOURCES	<u>848,000</u>	<u>848,000</u>	<u>799,333</u>	<u>(48,667)</u>	<u>812,760</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 41,133,000</u></u>	<u><u>\$ 41,610,834</u></u>	<u><u>\$ 40,331,844</u></u>	<u><u>\$ (1,278,990)</u></u>	<u><u>\$ 41,880,538</u></u>

See independent auditors' report.

City of Peekskill, New York

General Fund

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

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
GENERAL GOVERNMENT SUPPORT					
Common Council	\$ 78,472	\$ 77,516	\$ 79,617	\$ (2,101)	\$ 56,914
Unified Court	75,769	75,000	76,745	(1,745)	77,825
Mayor	22,874	20,432	20,744	(312)	16,054
City Manager	307,784	322,541	329,118	(6,577)	296,841
Comptroller	623,109	633,812	640,625	(6,813)	596,535
Assessment	284,357	298,769	291,626	7,143	240,925
Tax Review Board	2,100	1,600	1,600	-	1,707
Expenses on property acquired for taxes	10,000	-	-	-	6,401
City Clerk	386,595	356,197	363,117	(6,920)	324,341
Law	463,754	371,976	380,569	(8,593)	426,536
Personnel	214,099	185,456	192,147	(6,691)	194,430
Elections	41,525	1,680	1,680	-	42,187
Parking Violations Bureau	143,640	62,770	72,207	(9,437)	70,165
Public works administration	331,457	300,114	306,397	(6,283)	267,876
Building maintenance	651,667	618,785	620,415	(1,630)	601,091
Central data processing	297,571	234,523	219,946	14,577	348,933
Central printing and mailing	40,000	32,249	32,249	-	25,743
Special items					
Unallocated insurance	425,000	405,076	405,076	-	519,236
Municipal association dues	6,500	-	-	-	6,239
Judgments and claims	100,000	225,616	225,616	-	69,795
Taxes on City property	85,000	144,835	25,165	119,670	70,039
Metropolitan transportation and mobility tax	64,000	64,000	61,501	2,499	62,104
Miscellaneous services	100,000	94,110	94,110	-	58,609
Contingency	66,435	-	-	-	-
	<u>4,821,708</u>	<u>4,527,057</u>	<u>4,440,270</u>	<u>86,787</u>	<u>4,380,526</u>

PUBLIC SAFETY

Police Department	8,815,742	8,405,318	8,170,505	234,813	8,068,047
Traffic control	119,227	110,296	95,907	14,389	117,488
Fire Department	3,669,313	3,676,719	4,040,358	(363,639)	3,672,846
Control of animals	135,483	138,255	112,248	26,007	114,149
Building and plumbing	636,404	628,521	576,097	52,424	522,260
Civil defense	169,466	173,698	152,803	20,895	216,187
	<u>13,545,635</u>	<u>13,132,807</u>	<u>13,147,918</u>	<u>(15,111)</u>	<u>12,710,977</u>

HEALTH

Ambulance	<u>372,000</u>	<u>372,000</u>	<u>391,595</u>	<u>(19,595)</u>	<u>293,075</u>
-----------	----------------	----------------	----------------	-----------------	----------------

TRANSPORTATION

Street maintenance	1,347,454	1,421,371	1,189,232	232,139	1,266,733
Central garage	405,271	411,079	280,518	130,561	391,533
Snow removal	320,000	285,000	132,136	152,864	419,057
Street lighting	278,000	335,694	322,691	13,003	308,533
Off-street parking	175,099	207,834	177,264	30,570	166,203
	<u>2,525,824</u>	<u>2,660,978</u>	<u>2,101,841</u>	<u>559,137</u>	<u>2,552,059</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Youth Board - Job training	-	37,832	37,832	-	79,057
Nutrition program for the elderly	<u>559,296</u>	<u>563,237</u>	<u>490,909</u>	<u>72,328</u>	<u>494,030</u>
	<u>559,296</u>	<u>601,069</u>	<u>528,741</u>	<u>72,328</u>	<u>573,087</u>

CULTURE AND RECREATION

Recreation administration	423,881	387,881	337,088	50,793	369,762
Parks maintenance	669,492	642,890	545,083	97,807	623,248
Playgrounds	387,200	75,000	48,630	26,370	356,294
Kiley sports program	251,694	212,441	181,927	30,514	229,486
Youth bureau	236,364	731,025	451,276	279,749	459,701
Summer recreation programs	96,107	84,858	79,189	5,669	91,078
Pool	156,125	45,625	16,220	29,405	200,503
Marina	15,101	15,101	11,907	3,194	13,396
Riverfront programs	14,000	2,000	834	1,166	13,667

(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, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
CULTURE AND RECREATION (Continued)					
Civic theatres	\$ 80,000	\$ 104,365	\$ 89,269	\$ 15,096	\$ 115,596
Celebrations	70,000	25,744	3,244	22,500	33,167
Senior citizen club	155,781	153,370	141,842	11,528	157,075
Norwest program	50,000	50,000	50,000	-	50,000
	<u>2,605,745</u>	<u>2,530,300</u>	<u>1,956,509</u>	<u>573,791</u>	<u>2,712,973</u>
HOME AND COMMUNITY SERVICES					
Refuse collection and disposal	1,622,824	1,684,949	1,500,764	184,185	1,731,227
Street cleaning	95,209	97,136	88,785	8,351	101,784
Planning and development	785,073	760,186	734,229	25,957	713,952
Composting	-	12,884	12,912	(28)	-
	<u>2,503,106</u>	<u>2,555,155</u>	<u>2,336,690</u>	<u>218,465</u>	<u>2,546,963</u>
EMPLOYEE BENEFITS					
State retirement	1,255,000	1,255,000	1,032,564	222,436	1,151,001
Police retirement	2,525,000	2,525,000	2,340,698	184,302	2,264,059
Life, health and dental insurance	6,617,000	6,630,955	6,435,487	195,468	6,393,886
Unemployment benefits	5,000	5,000	-	5,000	3,402
Workers' compensation benefits	920,000	920,000	704,315	215,685	774,482
	<u>11,322,000</u>	<u>11,335,955</u>	<u>10,513,064</u>	<u>822,891</u>	<u>10,586,830</u>

DEBT SERVICE

Principal

Serial bonds

Notes

2,361,638	2,361,638	2,335,900	25,738	2,544,200
338,767	362,449	273,919	88,530	155,183

2,700,405	2,724,087	2,609,819	114,268	2,699,383
-----------	-----------	-----------	---------	-----------

Interest

Serial bonds

Bond anticipation notes

Notes

878,521	878,521	758,604	119,917	809,473
-	-	-	-	9,512
-	35,442	123,971	(88,529)	9,802

878,521	913,963	882,575	31,388	828,787
---------	---------	---------	--------	---------

3,578,926	3,638,050	3,492,394	145,656	3,528,170
-----------	-----------	-----------	---------	-----------

TOTAL EXPENDITURES

41,834,240	41,353,371	38,909,022	2,444,349	39,884,660
------------	------------	------------	-----------	------------

OTHER FINANCING USES

Transfers out

Capital Projects Fund

900,000	900,000	-	900,000	1,410,000
---------	---------	---	---------	-----------

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u>\$ 42,734,240</u>	<u>\$ 42,253,371</u>	<u>\$ 38,909,022</u>	<u>\$ 3,344,349</u>	<u>\$ 41,294,660</u>
----------------------	----------------------	----------------------	---------------------	----------------------

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 1,165,879	\$ 1,451,527
State Aid receivable	<u>426,087</u>	<u>-</u>
Total Assets	<u>\$ 1,591,966</u>	<u>\$ 1,451,527</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 45,180	\$ -
Retainages payable	19,775	126,481
Due to other funds	<u>1,634,920</u>	<u>1,597,990</u>
Total Liabilities	1,699,875	1,724,471
Fund deficit		
Unassigned	<u>(107,909)</u>	<u>(272,944)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,591,966</u>	<u>\$ 1,451,527</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>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 2,979,093	\$ 1,847,613
Federal aid	-	811,828
Miscellaneous	<u>123,749</u>	<u>162,522</u>
Total Revenues	3,102,842	2,821,963
EXPENDITURES		
Capital outlay	<u>7,915,819</u>	<u>4,884,938</u>
Deficiency of Revenues Over Expenditures	<u>(4,812,977)</u>	<u>(2,062,975)</u>
OTHER FINANCING SOURCES		
Notes issued	4,803,012	78,945
Transfers in	<u>175,000</u>	<u>1,991,162</u>
Total Other Financing Sources	<u>4,978,012</u>	<u>2,070,107</u>
Net Change in Fund Balance	165,035	7,132
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(272,944)</u>	<u>(280,076)</u>
End of Year	<u>\$ (107,909)</u>	<u>\$ (272,944)</u>

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through December 31, 2020

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	1,642,774	(329,713)
City Hall - 2019 Equipment	136	519,932	859,246	(339,314)
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	81,325	168,675
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	3,648,065	3,652,653	(4,588)
Nelson Parking Garage	504-2012	2,540,522	2,404,365	136,157
Public Works Equipment	505	2,174,793	2,174,793	-
Lincoln Train Station - Visitor's Center	541-1	2,131,076	1,928,791	202,285
Lincoln Plaza Design	541-2	823,572	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	106,510	106,510	-
Lights and Signs - Welcome Signs	634-2	30,000	4,570	25,430
Plantings	636	54,070	18,245	35,825
Central Firehouse	638	16,336,337	17,910,849	(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	765,620	(41,491)
LWRP Update Blue Plan	663	98,691	97,383	1,308
Peekskill Multi Use Waterfront	664	248,737	237,877	10,860
Brownfield Clean-Up LLS Sites	665	140,000	97,948	42,052
Feasibility Study - White Plains Linen Complex	667	105,000	210,450	(105,450)
Fleishman Pier	668	386,693	244,550	142,143
Peekskill Multi Use Trail	669	2,088,979	2,217,005	(128,026)
Sewer Maintenance	670	950,000	-	950,000
Zombie Grant	672	100,000	69,937	30,063
Oakwood Drive Reconstruction	673	133,403	167,928	(34,525)
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	1,716,426	1,614,150	102,276
2019 Parks	682	116,338	102,583	13,755
Main Street Streetscape	683	250,000	27,275	222,725
701 Washington Street Kitchen	685	25,000	-	25,000
Storm Water	687	27,000	-	27,000
Bond Issuance Costs	BOND	832,080	803,858	28,222
2019 Vehicles Capital Lease		4,479,950	4,479,950	-
2020 Energy Performance (Honeywell)		323,062	323,062	-
Totals		\$ 66,049,663	\$ 65,426,118	\$ 623,545

See independent auditors' report.

Revenues	Fund Balance (Deficit) At December 31, 2020
\$ 1,732,196	\$ -
1,263,367	(379,407)
519,932	(339,314)
57,500	10,480
1,869,782	125,024
250,000	168,675
23,000	23,000
643,007	-
940,657	-
326,345	46,145
10,778	-
2,136	-
3,673,064	20,411
2,540,522	136,157
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	(41,491)
98,691	1,308
248,737	10,860
140,000	42,052
105,000	(105,450)
386,693	142,143
2,088,980	(128,025)
1,100,000	1,100,000
100,000	30,063
133,403	(34,525)
46,492	-
774,650	(82,524)
200,000	-
50,000	642
17,157	(12,175)
1,716,427	102,277
116,338	13,755
-	(27,275)
25,000	25,000
27,000	27,000
832,081	28,223
4,479,950	-
323,062	-
<u>\$ 65,318,209</u>	<u>\$ (107,909)</u>

(This page intentionally left blank)

City of Peekskill, New YorkWater Fund
Comparative Balance Sheet
December 31,

	2020	2019
ASSETS		
Cash and equivalents	<u>\$ 2,350,811</u>	<u>\$ 586,139</u>
Receivables		
Accounts	-	176,277
Water rents	<u>2,522,847</u>	<u>1,940,940</u>
	<u>2,522,847</u>	<u>2,117,217</u>
Prepaid expenditures	96,955	98,911
Inventories	<u>210,467</u>	<u>237,088</u>
	<u>307,422</u>	<u>335,999</u>
Total Assets	<u><u>\$ 5,181,080</u></u>	<u><u>\$ 3,039,355</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 39,704	\$ 235,478
Accrued liabilities	33,087	61,439
Due to other funds	<u>-</u>	<u>902</u>
Total Liabilities	<u>72,791</u>	<u>297,819</u>
Fund balance		
Nonspendable	307,422	335,999
Assigned	<u>4,800,867</u>	<u>2,405,537</u>
Total Fund Balance	<u>5,108,289</u>	<u>2,741,536</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,181,080</u></u>	<u><u>\$ 3,039,355</u></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,**

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 7,698,000	\$ 7,698,000	\$ 8,628,684	\$ 930,684
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	16,000	16,000	63,823	47,823
Total Revenues	7,714,000	7,714,000	8,692,507	978,507
EXPENDITURES				
Current				
Home and community services	4,735,451	4,911,607	3,560,759	1,350,848
Debt service				
Principal	2,035,000	2,035,000	2,035,000	-
Interest	683,549	683,549	474,995	208,554
Total Expenditures	7,454,000	7,630,156	6,070,754	1,559,402
Excess of Revenues Over Expenditures	260,000	83,844	2,621,753	2,537,909
OTHER FINANCING USES				
Transfers out	(260,000)	(260,000)	(255,000)	5,000
Net Change in Fund Balance	-	(176,156)	2,366,753	2,542,909
FUND BALANCE				
Beginning of Year	-	176,156	2,741,536	2,565,380
End of Year	\$ -	\$ -	\$ 5,108,289	\$ 5,108,289

See independent auditors' report.

2019

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

City of Peekskill, New YorkSection 8 Housing Fund
Comparative Balance Sheet
December 31,

	2020	2019
ASSETS		
Cash and equivalents	<u>\$ 843,593</u>	<u>\$ 90,826</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 693	\$ 1,685
Accrued liabilities	12,081	-
Deferred revenue	<u>287,309</u>	<u>-</u>
Total Liabilities	300,083	1,685
Fund balance		
Restricted	<u>543,510</u>	<u>89,141</u>
Total Liabilities and Fund Balance	<u>\$ 843,593</u>	<u>\$ 90,826</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>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	\$ -	\$ 4
Federal aid	8,219,721	7,854,938
Miscellaneous	<u>14,952</u>	<u>35,955</u>
Total Revenues	8,234,673	7,890,897
EXPENDITURES		
Current		
Home and community services	<u>7,780,304</u>	<u>7,671,096</u>
Excess of Revenues Over Expenditures	454,369	219,801
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>89,141</u>	<u>(130,660)</u>
End of Year	<u>\$ 543,510</u>	<u>\$ 89,141</u>

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
Combining Balance Sheet - Sub-Funds
December 31, 2020
(With Comparative Totals for 2019)

		Urban County Consortium	Totals	
	Community Development		2020	2019
ASSETS				
Cash and equivalents	\$ 1,870,344	\$ 3,823	\$ 1,874,167	\$ 1,934,417
Accounts receivable	3,258	-	3,258	-
Loans receivable	899,092	-	899,092	924,363
Total Assets	<u>\$ 2,772,694</u>	<u>\$ 3,823</u>	<u>\$ 2,776,517</u>	<u>\$ 2,858,780</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 899,092	\$ -	\$ 899,092	\$ 924,363
Fund balances				
Restricted	<u>1,873,602</u>	<u>3,823</u>	<u>1,877,425</u>	<u>1,934,417</u>
Total Liabilities and Fund Balances	<u>\$ 2,772,694</u>	<u>\$ 3,823</u>	<u>\$ 2,776,517</u>	<u>\$ 2,858,780</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, 2020
(With Comparative Totals for 2019)

	Community Development	Urban County Consortium	Totals	
			2020	2019
REVENUES				
Use of money and property	\$ 15,515	\$ 222	\$ 15,737	\$ 27,031
Federal aid	-	-	-	156,148
Miscellaneous	25,271	-	25,271	23,093
Total Revenues	40,786	222	41,008	206,272
EXPENDITURES	-	-	-	-
Excess of Revenues Over Expenditures	40,786	222	41,008	206,272
OTHER FINANCING USES				
Transfers out	-	(98,000)	(98,000)	(98,000)
Net Change in Fund Balances	40,786	(97,778)	(56,992)	108,272
FUND BALANCES				
Beginning of Year	1,832,816	101,601	1,934,417	1,826,145
End of Year	<u>\$ 1,873,602</u>	<u>\$ 3,823</u>	<u>\$ 1,877,425</u>	<u>\$ 1,934,417</u>

See independent auditors' report.

(This page intentionally left blank)

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, 2020
(With Comparative Totals for 2019)

	Sewer	Recreation	Special Purpose
ASSETS			
Cash and equivalents	\$ 1,970,831	\$ 1,045,366	\$ 68,581
Receivables			
Sewer rents	463,777	-	-
Due from other funds	-	-	-
	463,777	-	-
Prepaid expenditures	58,641	-	-
Total Assets	<u>\$ 2,493,249</u>	<u>\$ 1,045,366</u>	<u>\$ 68,581</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 5,202	\$ -	\$ -
Accrued liabilities	6,355	-	-
Due to other funds	150,000	-	-
Total Liabilities	<u>161,557</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	58,641	-	-
Restricted	-	-	68,581
Committed	-	1,045,366	-
Assigned	2,273,051	-	-
Total Fund Balances	<u>2,331,692</u>	<u>1,045,366</u>	<u>68,581</u>
Total Liabilities and Fund Balances	<u>\$ 2,493,249</u>	<u>\$ 1,045,366</u>	<u>\$ 68,581</u>

See independent auditors' report.

Debt Service	Permanent	Total Non-Major Governmental Funds	
		2020	2019
\$ -	\$ 102,334	\$ 3,187,112	\$ 2,795,522
-	-	463,777	410,341
-	-	-	1,648
-	-	463,777	411,989
-	-	58,641	52,467
<u>\$ -</u>	<u>\$ 102,334</u>	<u>\$ 3,709,530</u>	<u>\$ 3,259,978</u>
\$ -	\$ -	\$ 5,202	\$ 28
-	-	6,355	-
-	-	150,000	199,957
-	-	161,557	199,985
-	100,000	158,641	152,467
-	2,334	70,915	66,866
-	-	1,045,366	838,356
-	-	2,273,051	2,002,304
-	102,334	3,547,973	3,059,993
<u>\$ -</u>	<u>\$ 102,334</u>	<u>\$ 3,709,530</u>	<u>\$ 3,259,978</u>

City of Peekskill, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended December 31, 2020

(With Comparative Totals for 2019)

	Sewer	Recreation	Special Purpose
REVENUES			
Departmental income	\$ 1,603,252	\$ 232,000	\$ -
Use of money and property	-	10	-
Miscellaneous	-	-	6,150
Total Revenues	1,603,252	232,010	6,150
EXPENDITURES			
Current			
Culture and recreation	-	-	2,165
Home and community services	736,121	-	-
Debt service			
Principal	124,100	-	-
Interest	11,110	-	-
Total Expenditures	871,331	-	2,165
Excess of Revenues Over Expenditures	731,921	232,010	3,985
OTHER FINANCING USES			
Transfers out	(455,000)	(25,000)	-
Net Change in Fund Balances	276,921	207,010	3,985
FUND BALANCES			
Beginning of Year	2,054,771	838,356	64,596
End of Year	\$ 2,331,692	\$ 1,045,366	\$ 68,581

See independent auditors' report.

		Total Non-Major Governmental Funds	
Debt Service	Permanent	2020	2019
\$ -	\$ -	\$ 1,835,252	\$ 1,577,657
-	64	74	22,583
-	-	6,150	40,724
<u>\$0</u>	<u>64</u>	<u>1,841,476</u>	<u>1,640,964</u>
-	-	2,165	46,450
-	-	736,121	779,842
-	-	124,100	125,800
-	-	11,110	13,608
-	-	873,496	965,700
-	64	967,980	675,264
-	-	(480,000)	(986,057)
-	64	487,980	(310,793)
-	102,270	3,059,993	3,370,786
<u>\$ -</u>	<u>\$ 102,334</u>	<u>\$ 3,547,973</u>	<u>\$ 3,059,993</u>

(This page intentionally left blank)

City of Peekskill, New YorkSewer Fund
Comparative Balance Sheet
December 31,

	2020	2019
ASSETS		
Cash and equivalents	\$ 1,970,831	\$ 1,742,893
Sewer rents receivables	463,777	410,341
Prepaid expenditures	58,641	52,467
Total Assets	<u>\$ 2,493,249</u>	<u>\$ 2,205,701</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 5,202	\$ 28
Accrued liabilities	6,355	-
Due to other funds	150,000	150,902
Total Liabilities	<u>161,557</u>	<u>150,930</u>
Fund balance		
Nonspendable	58,641	52,467
Assigned	2,273,051	2,002,304
Total Fund Balance	<u>2,331,692</u>	<u>2,054,771</u>
Total Liabilities and Fund Balance	<u>\$ 2,493,249</u>	<u>\$ 2,205,701</u>

See independent auditors' report.

City of Peekskill, New York

Sewer Fund

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

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 1,695,000	\$ 1,695,000	\$ 1,603,252	\$ (91,748)
EXPENDITURES				
Current				
Home and community services	1,100,646	1,100,646	736,121	364,525
Debt service				
Principal	124,100	124,100	124,100	-
Interest	11,110	11,110	11,110	-
Total Expenditures	1,235,856	1,235,856	871,331	364,525
Excess of Revenues Over Expenditures	459,144	459,144	731,921	272,777
OTHER FINANCING USES				
Transfers out	(460,000)	(460,000)	(455,000)	5,000
Net Change in Fund Balance	(856)	(856)	276,921	277,777
FUND BALANCE				
Beginning of Year	856	856	2,054,771	2,053,915
End of Year	\$ -	\$ -	\$ 2,331,692	\$ 2,331,692

See independent auditors' report.

2019

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>\$ 1,665,000</u>	<u>\$ 1,665,000</u>	<u>\$ 1,528,107</u>	<u>\$ (136,893)</u>
1,070,591	1,095,541	779,842	315,699
125,800	125,800	125,800	-
13,609	13,609	13,608	1
<u>1,210,000</u>	<u>1,234,950</u>	<u>919,250</u>	<u>315,700</u>
455,000	430,050	608,857	178,807
<u>(455,000)</u>	<u>(455,000)</u>	<u>(455,000)</u>	<u>-</u>
-	(24,950)	153,857	178,807
<u>-</u>	<u>24,950</u>	<u>1,900,914</u>	<u>1,875,964</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,054,771</u>	<u>\$ 2,054,771</u>

City of Peekskill, New York

Recreation Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 1,045,366</u>	<u>\$ 838,356</u>
FUND BALANCE		
Committed	<u>\$ 1,045,366</u>	<u>\$ 838,356</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>2020</u>	<u>2019</u>
REVENUES		
Departmental income	\$ 232,000	\$ 49,550
Use of money and property	<u>10</u>	<u>7</u>
Total Revenues	232,010	49,557
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	232,010	49,557
OTHER FINANCING USES		
Transfers out	<u>(25,000)</u>	<u>(482,002)</u>
Net Change in Fund Balance	207,010	(432,445)
FUND BALANCE		
Beginning of Year	<u>838,356</u>	<u>1,270,801</u>
End of Year	<u><u>\$ 1,045,366</u></u>	<u><u>\$ 838,356</u></u>

See independent auditors' report.

City of Peekskill, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 68,581</u>	<u>\$ 64,596</u>
FUND BALANCE		
Restricted	<u>\$ 68,581</u>	<u>\$ 64,596</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>2020</u>	<u>2019</u>
REVENUES		
Miscellaneous	\$ 6,150	\$ 40,724
EXPENDITURES		
Current		
Culture and recreation	<u>2,165</u>	<u>46,450</u>
Excess (Deficiency) of Revenues Over Expenditures	3,985	(5,726)
FUND BALANCE		
Beginning of Year	<u>64,596</u>	<u>70,322</u>
End of Year	<u><u>\$ 68,581</u></u>	<u><u>\$ 64,596</u></u>

See independent auditors' report.

(This page intentionally left blank)

City of Peekskill, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	2020	2019
ASSETS		
Cash and equivalents	\$ -	\$ 47,407
Due from other funds	-	1,648
Total Assets	<u>\$ -</u>	<u>\$ 49,055</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	49,055
Fund Balance		
Assigned	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 49,055</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,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of money and property	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 22,482	\$ 22,482
-	-	-	-
-	-	22,482	22,482
(100,000)	(100,000)	(49,055)	50,945
(100,000)	(100,000)	(26,573)	73,427
100,000	100,000	26,573	(73,427)
\$ -	\$ -	\$ -	\$ -

City of Peekskill, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 102,334</u>	<u>\$ 102,270</u>
FUND BALANCE		
Nonspendable	\$ 100,000	\$ 100,000
Restricted	<u>2,334</u>	<u>2,270</u>
Total Fund Balance	<u>\$ 102,334</u>	<u>\$ 102,270</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>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	\$ 64	\$ 94
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	64	94
FUND BALANCE		
Beginning of Year	<u>102,270</u>	<u>102,176</u>
End of Year	<u>\$ 102,334</u>	<u>\$ 102,270</u>

See independent auditors' report.

(This page intentionally left blank)

STATISTICAL SECTION
(UNAUDITED)

(This page intentionally left blank)

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 YorkNet Position by Component
Last Ten Fiscal Years

	2011	2012	2013	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 18,282,052	\$ 23,747,284	\$ 26,472,465	\$ 33,093,116
Restricted	15,801,388	11,663,272	9,870,336	10,388,723
Unrestricted	<u>(9,023,866)</u>	<u>(14,225,278)</u>	<u>(19,108,958)</u>	<u>(24,047,541)</u>
Total Governmental Activities				
Net Position	<u>\$ 25,059,574</u>	<u>\$ 21,185,278</u>	<u>\$ 17,233,843</u>	<u>\$ 19,434,298</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 39,962,538	\$ 40,538,429	\$ 39,200,050	\$ 51,480,424	\$ 59,435,215	\$ 65,444,898
8,960,394	11,808,737	12,084,931	12,563,409	9,869,540	10,110,497
<u>(17,426,533)</u>	<u>(15,856,956)</u>	<u>(18,342,178)</u>	<u>(155,517,882)</u>	<u>(157,133,334)</u>	<u>(162,157,970)</u>
<u>\$ 31,496,399</u>	<u>\$ 36,490,210</u>	<u>\$ 32,942,803</u>	<u>\$ (91,474,049)</u>	<u>\$ (87,828,579)</u>	<u>\$ (86,602,575)</u>

City of Peekskill, New York

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
EXPENSES				
Government activities				
General government support	\$ 7,038,267	\$ 6,292,403	\$ 7,856,347	\$ 6,062,692
Public safety	19,506,458	19,232,215	18,202,444	18,292,112
Health	279,184	264,979	209,327	252,607
Transportation	4,650,520	3,953,086	3,182,830	3,205,170
Economic opportunity and development	688,606	629,777	598,444	511,833
Culture and recreation	4,622,774	4,614,755	3,791,401	4,167,688
Home and community services	17,670,033	17,174,960	15,666,450	15,456,148
Interest	1,889,294	1,946,318	1,986,412	2,048,315
Total Governmental Activities Expenses	<u>56,345,136</u>	<u>54,108,493</u>	<u>51,493,655</u>	<u>49,996,565</u>
PROGRAM REVENUES				
Charges for Services				
General government support	647,337	573,704	553,420	578,462
Public safety	854,709	847,964	861,232	952,023
Health	23,003	-	36,907	6,334
Transportation	941,783	1,065,133	968,734	951,587
Economic opportunity and development	-	-	-	-
Culture and recreation	387,889	420,920	462,710	431,161
Home and community services	9,554,843	10,807,097	8,376,435	9,992,915
Operating Grants and Contributions	9,061,281	8,941,043	8,154,088	7,099,885
Capital Grants and Contributions	1,949,358	372,919	550,326	3,442,307
Total Program Revenues	<u>23,420,203</u>	<u>23,028,780</u>	<u>19,963,852</u>	<u>23,454,674</u>
Governmental Activities Net Expense	<u>(32,924,933)</u>	<u>(31,079,713)</u>	<u>(31,529,803)</u>	<u>(26,541,891)</u>
GENERAL REVENUES				
Real property taxes	13,601,023	14,128,658	14,676,951	14,764,723
Other tax items				
Interest and penalties on real property taxes	789,802	546,492	298,658	321,244
Gain on sale of tax acquired property	-	900	-	312,227
Payments in lieu of taxes	4,883,554	5,460,776	5,411,748	5,672,087
Real estate transfer tax	235,285	518,233	510,277	593,583
Non-property taxes	3,728,611	3,707,160	3,953,649	4,163,848
Unrestricted Use of Money and Property	34,160	3,726	4,023	4,286
Sale of property and compensation for loss	20,976	16,458	28,238	28,130
Unrestricted State aid	2,455,379	2,527,137	2,556,653	2,486,837
Miscellaneous	6,352	103,378	34,405	180,357
Insurance recoveries	172,774	192,499	103,766	215,024
Total General Revenue	<u>25,927,916</u>	<u>27,205,417</u>	<u>27,578,368</u>	<u>28,742,346</u>
Change in Net Position	<u>\$ (6,997,017)</u>	<u>\$ (3,874,296)</u>	<u>\$ (3,951,435)</u>	<u>\$ 2,200,455</u>

2015	2016	2017	2018	2019	2020
\$ 5,140,331	\$ 6,002,382	\$ 7,310,424	\$ 6,489,230	\$ 6,766,349	\$ 8,648,381
16,733,521	18,784,621	21,404,266	21,920,857	22,530,130	25,796,761
225,287	141,690	209,569	372,518	383,494	479,063
3,275,094	3,623,895	3,773,902	4,398,478	4,273,190	3,806,577
506,821	509,346	502,648	621,237	654,484	581,409
3,660,152	4,051,246	5,170,211	4,003,911	4,568,707	3,537,636
15,989,104	16,993,080	16,038,191	16,107,984	17,409,147	16,501,997
1,763,417	1,620,308	1,669,286	1,626,388	1,458,583	1,471,332
47,293,727	51,726,568	56,078,497	55,540,603	58,044,084	60,823,156
775,078	574,543	622,453	2,625,479	2,431,620	2,466,245
978,547	1,874,969	1,882,298	1,332,334	1,368,075	769,780
14,425	31,912	102,334	11,918	116,990	81,834
1,004,950	1,226,441	1,218,229	1,259,735	1,229,661	753,343
-	-	-	134,526	124,246	103,665
432,777	466,175	463,799	1,294,312	620,311	360,057
10,293,121	10,518,265	10,824,586	9,492,715	9,604,945	11,311,834
7,924,609	7,341,583	7,774,164	7,669,366	9,288,103	9,197,110
7,184,087	1,831,080	1,768,803	1,760,746	2,844,445	3,102,842
28,607,594	23,864,968	24,656,666	25,581,131	27,628,396	28,146,710
(18,686,133)	(27,861,600)	(31,421,831)	(29,959,472)	(30,415,688)	(32,676,446)
15,221,101	15,929,281	16,188,524	16,800,462	17,076,412	17,227,590
881,081	343,896	418,474	354,854	424,781	248,033
63,240	-	679,200	571,355	591,185	
5,657,336	5,832,758	6,056,752	6,236,721	6,446,712	6,677,161
1,389,828	964,177	1,308,940	1,450,932	1,431,376	1,058,129
4,156,767	4,221,507	4,223,139	4,656,721	5,046,559	5,737,077
3,436	3,650	8,556	29,080	82,982	50,985
65,656	30,173	12,903	25,469	72,229	2,251
2,629,272	2,571,742	2,614,060	2,731,477	2,798,015	2,674,461
300,781	107,105	279,221	83,308	36,042	85,430
193,316	197,548	74,516	130,608	54,865	141,333
30,561,814	30,201,837	31,864,285	33,070,987	34,061,158	33,902,450
\$ 11,875,681	\$ 2,340,237	\$ 442,454	\$ 3,111,515	\$ 3,645,470	\$ 1,226,004

City of Peekskill, New York

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 1,034,576	\$ 1,691,825	\$ 2,100,922	\$ 2,078,498	\$ 1,634,045
Restricted	1,645,184	2,310,128	3,096,163	3,115,738	3,098,483
Committed	973,975	973,975	937,975	937,975	1,783,975
Assigned	2,300,864	2,213,264	261,911	705,097	969,224
Unassigned	2,762,856	7,556	803,192	496,988	1,590,953
Total General Fund	<u>\$ 8,717,455</u>	<u>\$ 7,196,748</u>	<u>\$ 7,200,163</u>	<u>\$ 7,334,296</u>	<u>\$ 9,076,680</u>
All Other Governmental Funds					
Nonspendable	247,342	207,192	181,930	184,321	232,374
Restricted	10,146,736	8,927,043	14,414,786	9,762,026	4,063,447
Committed	598,180	552,961	500,789	500,793	493,891
Assigned	510,470	43,980	216,600	351,700	194,465
Unassigned	-	-	-	-	-
Unreserved, Reported in					
Major Funds	5,490,025	5,674,688	3,963,513	3,271,799	3,164,483
Non Major Funds	4,870,062	4,595,222	4,339,966	4,550,695	4,601,609
Total All Other Governmental Funds	<u>\$ 21,862,815</u>	<u>\$ 20,001,086</u>	<u>\$ 23,617,584</u>	<u>\$ 18,621,334</u>	<u>\$ 12,750,269</u>
Total Governmental Funds	<u>\$ 30,580,270</u>	<u>\$ 27,197,834</u>	<u>\$ 30,817,747</u>	<u>\$ 25,955,630</u>	<u>\$ 21,826,949</u>

2016	2017	2018	2019	2020
\$ 1,309,354	\$ 1,663,303	\$ 1,535,350	\$ 1,358,529	\$ 1,593,723
6,882,176	8,410,442	8,609,430	8,376,139	8,629,080
2,783,975	873,975	873,975	873,975	873,975
533,141	1,669,275	1,954,746	1,871,935	2,324,918
2,625,782	2,826,512	3,339,464	4,802,441	5,512,804
<u>\$ 14,134,428</u>	<u>\$ 15,443,507</u>	<u>\$ 16,312,965</u>	<u>\$ 17,283,019</u>	<u>\$ 18,934,500</u>
193,809	342,978	434,660	488,466	466,063
115,617	6,754,259	72,498	2,090,424	2,491,850
777,390	865,921	1,270,801	838,356	1,045,366
7,019,021	6,974,810	5,962,653	4,407,841	7,073,918
(539,655)	-	(432,883)	(272,944)	(107,909)
-	-	-	-	-
<u>\$ 7,566,182</u>	<u>\$ 14,937,968</u>	<u>\$ 7,307,729</u>	<u>\$ 7,552,143</u>	<u>\$ 10,969,288</u>
<u>\$ 21,700,610</u>	<u>\$ 30,381,475</u>	<u>\$ 23,620,694</u>	<u>\$ 24,835,162</u>	<u>\$ 29,903,788</u>

City of Peekskill, New York
**Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2011	2012	2013	2014
REVENUES				
Real property taxes	\$ 14,350,057	\$ 14,264,604	\$ 14,614,316	\$ 14,057,239
Other tax items	5,908,641	6,526,401	6,220,683	6,899,141
Non-property taxes	3,728,611	3,707,160	3,953,649	4,163,848
Departmental income	11,233,705	12,364,268	9,899,512	11,420,772
Charges for Service	200,912	303,200	222,949	195,000
Use of money and property	338,865	299,247	389,504	384,863
Changes in fair value of investments	-	-	-	-
Licenses and permits	203,966	314,315	308,719	372,919
Fines and forfeitures	685,307	626,699	654,355	712,212
Sale of property and compensation for loss	20,976	16,458	28,238	28,130
State aid	3,965,616	2,914,047	2,999,878	6,008,711
Federal aid	8,594,991	7,655,429	7,401,063	6,407,808
Miscellaneous	701,544	685,816	670,438	557,520
Total Revenues	49,933,191	49,677,644	47,363,304	51,208,163
EXPENDITURES				
Current				
General government support	5,977,400	5,816,433	6,692,018	4,428,898
Public safety	16,979,712	15,887,617	15,269,053	12,129,990
Health	279,164	264,979	209,327	252,607
Transportation	2,840,950	2,750,260	2,423,946	2,196,806
Economic opportunity and development	688,606	556,599	544,093	450,117
Culture and recreation	3,741,239	3,356,754	2,977,768	2,630,915
Home and community services	15,738,481	16,024,415	14,424,989	13,106,985
Employee benefits	916,913	2,390,021	2,517,379	8,324,724
Debt service				
Principal	3,312,173	3,780,621	5,123,745	3,916,797
Interest	1,910,597	1,978,578	1,897,021	2,189,428
Refunding bond issuance costs	-	-	-	80,137
Advance refunding escrow	-	-	-	-
Capital outlay	3,690,967	2,577,432	3,481,518	8,042,065
Total Expenditures	56,076,202	55,383,709	55,560,857	57,749,469
Excess (Deficiency) of Revenues Over Expenditures	(6,143,011)	(5,706,065)	(8,197,553)	(6,541,306)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,244,572	1,077,032	918,218	1,445,166
Transfers out	(2,244,572)	(1,077,032)	(918,218)	(1,445,166)
Insurance recoveries	172,774	192,499	103,766	309,787
Bonds issued	11,680,500	-	11,713,700	-
Refunding bonds issued	-	-	-	3,270,000
Payment to refunded bond escrow agent	-	-	-	(3,298,007)
Issuance premium	-	-	-	108,144
Notes issued	-	703,130	-	189,265
Bond anticipation notes issued	-	1,428,000	-	1,100,000
Total Other Financing Sources (Uses)	11,853,274	2,323,629	11,817,466	1,679,189
Net Change in Fund Balances	\$ 5,710,263	\$ (3,382,436)	\$ 3,619,913	\$ (4,862,117)
Debt Service as a Percentage of Non-Capital Expenditures	10.3%	11.9%	15.5%	13.8%

2015	2016	2017	2018	2019	2020
\$ 15,496,328	\$ 16,328,161	\$ 16,285,502	\$ 16,710,244	\$ 16,946,996	\$ 17,186,004
7,991,485	7,140,831	8,463,366	8,613,862	8,894,054	7,983,323
4,156,767	4,221,507	4,223,139	4,656,721	5,046,559	5,737,077
11,969,556	12,738,828	12,889,756	13,662,068	13,364,814	13,988,013
235,000	230,000	177,452	172,106	234,651	147,431
357,041	413,543	422,429	273,964	870,545	751,505
-	77,152	263,652	-	-	-
466,504	1,035,930	915,930	924,471	477,738	825,182
674,840	875,113	870,796	1,083,346	974,223	467,634
65,656	30,173	12,903	25,469	248,506	2,251
7,510,427	4,362,086	4,021,034	4,510,909	4,750,980	5,760,178
7,276,203	6,301,710	7,047,453	6,544,748	9,249,115	8,492,503
3,086,869	503,400	971,229	440,331	499,123	460,269
59,286,676	54,258,434	56,564,641	57,618,239	61,557,304	61,801,370
3,981,018	3,785,707	4,310,310	4,256,940	4,380,526	4,440,270
11,999,014	12,300,725	12,726,377	13,088,165	12,774,010	13,265,533
225,287	136,060	209,569	297,125	266,499	401,674
2,370,074	2,226,156	2,386,106	2,579,699	2,552,059	2,101,841
431,911	428,847	435,518	553,459	573,087	528,741
2,580,986	2,374,962	2,551,522	2,552,370	2,759,423	1,958,674
13,165,156	13,519,608	13,478,566	14,463,633	15,511,396	14,413,874
8,786,602	9,472,407	9,895,700	10,527,985	10,586,830	10,513,064
4,779,256	3,921,776	4,051,898	4,721,904	4,810,183	4,768,919
1,783,212	1,578,945	1,515,780	1,543,257	1,377,695	1,368,680
416,888	-	388,148	-	-	-
1,963,950	-	-	-	-	-
11,542,207	7,520,802	11,531,935	9,925,091	4,884,938	7,915,819
64,025,561	57,265,995	63,481,429	64,509,628	60,476,646	61,677,089
(4,738,885)	(3,007,561)	(6,916,788)	(6,891,389)	1,080,658	124,281
1,754,939	1,841,758	2,573,749	2,179,842	2,749,057	833,000
(1,754,939)	(1,841,758)	(2,573,749)	(2,179,842)	(2,749,057)	(833,000)
193,316	197,548	74,516	130,608	54,865	141,333
-	-	14,610,000	-	-	-
26,125,000	-	12,810,000	-	-	-
(25,708,112)	-	(12,663,805)	-	-	-
-	30,100	241,953	-	-	-
-	-	524,989	-	78,945	4,803,012
-	-	-	-	-	-
610,204	227,648	15,597,653	130,608	133,810	4,944,345
\$ (4,128,681)	\$ (2,779,913)	\$ 8,680,865	\$ (6,760,781)	\$ 1,214,468	\$ 5,068,626
14.2%	10.8%	10.3%	11.4%	11.1%	11.4%

(This page intentionally left blank)

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

(This page intentionally left blank)

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

<u>Year</u>	<u>Total Taxable Assessed Value</u>	<u>State Special Equalization Rate (1)</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
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
2020	63,566,214	2.83	2,246,155,972	316.95

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

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

City of Peekskill, New York

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

Year	Total Direct Rate (1)	Overlapping Rates					
		Westchester County			Peekskill School District	Hendrick Hudson School District	Hudson School Library
		Operating	Sewer Districts	Refuse Disposal District			
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
2020	316.95	96.80	21.45	8.11	734.67	531.33	12.35

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

City of Peekskill, New York

Principal Taxpayers
Current Year and Nine Years Ago

2020				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison	Utility	\$ 3,016,355	4.79 %
2	Beach Improvements	Shopping Center	850,000	1.35
3	Crompond Apt Owners	Co-Op Apartments	531,589	0.84
4	Crossroads Assoc LLC	Apts & Vac Land	515,600	0.82
5	Peekskill Towers Corp	Co-Op Apartments	395,608	0.63
6	River Ridge Owners Corp	Co-Op Apartments	378,680	0.60
7	Hudson Fee LLC	Co-Op Apartments	345,000	0.55
8	Hampton Oaks, Inc	Apartments	330,000	0.52
9	1201 Main Street	Shopping Center	286,933	0.46
10	Commons Owner Corp	Co-Op Apartments	270,092	0.43
			<u>\$ 6,919,857</u>	<u>10.99 %</u>
2011				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison	Utility	\$ 2,627,134	4.20 %
2	Mearl Corp	Manufacturer	1,462,000	2.34
3	Beach Improvements	Shopping Center	960,000	1.53
4	Crompond Apt Owners	Co-Op Apartments	895,277	1.43
5	Crossroads Assoc LLC	Apts & Vac Land	782,520	1.25
6	Hampton Oaks, Inc	Apartments	480,000	0.77
7	Peekskill Towers Corp	Co-Op Apartments	454,606	0.73
8	Morgan Patricia Gardens, LLC	Co-Op Apartments	310,000	0.50
9	Commons Owner Corp	Co-Op Apartments	308,380	0.49
10	River Ridge Owners Corp	Co-Op Apartments	310,000	0.50
			<u>\$ 8,589,917</u>	<u>13.73 %</u>

Source: City of Peekskill, Assessor's Office.

City of Peekskill, New York

Property Tax Levies and Collections
Last Ten Fiscal Years

Year	City Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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	-	14,050,614	96.90
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
2020		17,260,000	16,749,744	97.04	510,256	17,186,004	99.57

Source: City of Peekskill Finance Department; collections as of May 2, 2021

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)
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
2020	48,896,808	4,767,735	53,664,543	2.39	2,229	6.87

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

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

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

City of Peekskill, New York

Direct and Overlapping Governmental Activities Debt
December 31, 2020

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Peekskill (1)</u>	<u>Amount Applicable to City of Peekskill (1)</u>
County of Westchester	\$ 1,243,911,018	0.021%	\$ 26,680,814
School Districts (June 30, 2020)			
Peekskill School District	50,739,931	100%	50,739,931
Net Overlapping Debt			77,420,745
City Direct Debt			<u>53,664,543</u>
Net Direct and Overlapping Debt			<u><u>\$ 131,085,288</u></u>

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

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

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

City of Peekskill, New York
**Legal Debt Margin Information
Last Ten Fiscal Years**

	2011	2012	2013	2014
Debt Limit	\$ 141,369,834	\$ 131,461,917	\$ 121,756,966	\$ 114,144,271
Total Net Debt Applicable to Limit	57,403,000	55,143,000	61,928,000	59,355,700
Legal Debt Margin	<u>\$ 83,966,834</u>	<u>\$ 76,318,917</u>	<u>\$ 59,828,966</u>	<u>\$ 54,788,571</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	40.60%	41.95%	50.86%	52.00%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessment Roll				
Year	Budget Year	Assessed Valuation	State Special Equalization Ratio	Full Valuation
2019	2020	\$ 63,008,534	3.18 %	\$ 1,981,400,440
2018	2019	62,628,143	3.56	1,759,217,500
2017	2018	62,393,182	3.48	1,792,907,529
2016	2017	61,858,233	3.65	1,694,746,110
2015	2016	61,684,149	3.73	1,653,730,536
Total Five Year Full Valuation				<u>\$ 8,882,002,115</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 1,776,400,423</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>124,348,030</u>
Outstanding City Debt				
Serial Bonds				48,896,808
Tan Anticipation Notes				<u>3,000,000</u>
Net Indebtedness Subject to Debt Limit				<u>51,896,808</u>
Net Debt Contracting Margin				<u>\$ 72,451,222</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 111,619,576	\$ 111,793,389	\$ 113,580,495	\$ 118,403,613	\$ 118,780,776	\$ 124,348,030
<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>51,896,808</u>
<u>\$ 56,603,625</u>	<u>\$ 60,519,364</u>	<u>\$ 50,625,495</u>	<u>\$ 60,188,613</u>	<u>\$ 65,366,432</u>	<u>\$ 72,451,222</u>
49.29%	45.86%	55.43%	49.17%	44.97%	41.74%

(This page intentionally left blank)

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

(This page intentionally left blank)

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)
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
2020	24,075	38.7	781,474,500	32,460	57,206	54,494	6.2

Sources: (1) U.S. Bureau of Census (2010 Census for 2020-2014); 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**

		2020	
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
NY Presbyterian - Hudson Valley	Health Services	1,300	16.05 %
Entergy Northeast	Indian Point Power Plant	300	3.70
White Plains Linen	Linen Rental	210	2.59
BASF Corp	Manufacturer	344	4.25
Cortlandt HealthCare	Health Services	182	2.25
Mines Press	Commercial Printing	102	1.26
Emerald Peek Rehabilitation	Health Services	33	0.41
Hudson Hospitality Group	Food and Beverage	50	0.62
D. Bertolini & Sons Inc	Food and Beverage	102	1.26
Continental Buchannan	Manufacturing	100	1.23
		<u>2,623</u>	<u>32.38 %</u>
		2011	
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
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
		<u>3,526</u>	<u>46.39 %</u>

Source: City of Peekskill Finance Department

Operating Information

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

Full-Time Equivalent City Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Peekskill, New York

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

Function	Full-time Equivalent Employees as of December 31,				
	2011	2012	2013	2014	2015
General Government	93	96	84	84	84
Public Safety	92	95	86	84	84
Transportation	14	14	12	12	12
Economic Opportunity and Development	9	9	7	7	7
Culture and Recreation	21	21	19	19	19
Home and Community Services	23	24	19	19	19
Central Garage	5	6	4	4	4
Total	257	265	231	229	229

Source: City of Peekskill Finance Department

2016	2017	2018	2019	2020
83	80	80	80	74
84	83	83	83	73
12	12	13	13	13
7	7	7	7	7
19	18	19	19	12
19	17	18	18	17
4	4	4	4	4
228	221	224	224	200

(This page intentionally left blank)

City of Peekskill, New York

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT SUPPORT										
Basic STAR applications	3,548	3,541	3,521	3,090	3,080	2,934	2,766	2,353	2,326	2,081
Enhanced STAR applications	658	652	648	647	650	655	622	605	628	595
Vital statistic certificates issued	1,012	1,068	1,084	914	1,051	1,920	1,094	1,250	965	1,169
PUBLIC SAFETY										
Police										
Calls for service	22,284	22,816	24,549	25,494	27,650	29,236	32,416	34,394	39,523	40,750
Part I crimes	253	258	278	241	322	197	210	272	239	209
Physical arrests	1,320	1,570	1,507	1,499	1,345	1,531	1,313	1,257	1,171	712
Parking summonses issued	9,752	11,027	8,190	9,210	10,905	19,369	15,461	17,348	17,842	2,055
Traffic violations issued	3,017	3,906	4,779	4,220	4,542	4,587	4,666	4,121	4,479	11,787
Fire										
Calls for service	3,271	3,310	3,269	3,162	2,978	3,162	2,732	2,389	2,448	1,964
Transportation										
Street lights replaced	20	16	18	18	20	1,100	20	12	-	-
Street signs replaced	125	125	550	325	275	300	250	275	300	340
ECONOMIC OPPORTUNITY AND DEVELOPMENT										
Elderly nutrition meals served	37,279	36,910	37,283	36,914	37,667	37,294	37,671	38,682	42,834	45,001
CULTURE AND RECREATION										
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball	5	5	5	5	5	5	5	5	5	5
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	5	5	5	5	5	5	5	5	5	5
Pool passes issued	2,359	1,796	1,551	1,189	1,707	1,764	1,990	2,115	1,883	-
Summer youth employment workers	145	146	144	131	134	147	134	145	170	22
HOME AND COMMUNITY SERVICES										
Tons of trash collected	8,592	7,931	7,535	7,657	7,289	7,851	8,113	7,761	8,539	8,563
Tons of material recycled	1,574	1,552	1,201	1,369	1,351	2,808	4,112	4,344	4,751	4,552
Tons of leaves/yard waste recycled	2,084	1,298	1,622	3,652	2,159	1,041	1,298	1,644	3,095	3,240
Storm water catch basins cleaned	400	350	365	325	345	300	275	475	346	402
Building, plumbing and related permits issued	960	900	1,000	1,000	1,100	1,128	1,228	1,341	2,503	2,124
Building inspections conducted	2,970	2,574	1,934	2,196	3,945	3,678	2,907	3,125	9,612	9,750
Number of sewer pumping stations	8	8	8	8	8	8	8	8	8	8
Miles of sanitary sewers	52	52	52	52	52	52	52	52	52	52

Sources: Various City departments

City of Peekskill, New York

Capital Assets Statistics By Function/Program Last Ten Fiscal Years

	2011	2012	2013	2014
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	6,856	7,013	6,903	6,682

Sources: Various City departments
N/A - Information not available

2015	2016	2017	2018	2019	2020
15	15	15	15	11	11
1	1	1	1	1	1
6	6	6	6	1	1
31	31	31	31	31	31
106	110	110	110	110	110
1,600	1,589	1,589	1,609	1,609	1,609
1	1	1	1	1	1
19	19	19	19	19	19
300	300	300	300	300	300
1	1	1	1	1	1
575	575	575	580	580	580
52	52	52	52	52	52
48	48	48	48	48	48
59	59	59	59	59	59
2	2	2	2	2	2
14	14	15	15	15	15
7,085	7,215	5,937	6,054	7,687	914

(This page intentionally left blank)

FEDERAL AWARDS

(This page intentionally left blank)



**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, 2020, 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 4, 2021.

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 4, 2021

**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 program for the year ended December 31, 2020. The City's major federal program 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 program 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 program for the year ended December 31, 2020.

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, material weaknesses may exist that have not been identified

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 4, 2021

City of Peekskill, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</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	\$ -	\$ 7,766,073
COVID-19 Section 8 Housing Choice Voucher Program	14.871	n/a	-	14,231
Total U.S. Department of Housing and Urban Development			-	7,780,304
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
Drug Free Communities Support Program	93.276	n/a	-	47,773
Indirect Program - Passed through Westchester County -				
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	n/a	-	159,352
Total U.S. Department of Health and Human Services			-	207,125
<u>U.S. Department of Labor</u>				
Indirect Program - Passed through Westchester County				
YouthBuild	17.274	n/a	-	41,701
Total U.S. Department of Labor			-	41,701
Total Expenditures of Federal Awards			\$ -	\$ 8,029,130

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, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the City of Peekskill ("City") under programs of the federal government for the year ended December 31, 2020. 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 or changes in net position of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal Control over major federal programs:

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

____ Yes X No
____ Yes X 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 X No

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Voucher Program

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

\$ 750,000

Auditee qualified as low-risk auditee?

____ Yes X No

City of Peekskill, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended December 31, 2020

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

City of Peekskill, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Section IV - Summary of Prior Year Audit Findings

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

Status:

Management filed the 2018 Financial Assessment Sub-system, FASS-PH. This has been corrected in the 2020 year and filed the 2019 information in a timely manner.

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

Status:

This has been corrected in the 2020 year and client was able to provide a listing of failed inspections.