

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

2021

FOR THE YEAR ENDING
DECEMBER 31, 2021

CITY OF PEEKSKILL, NY



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Mayor Vivian C. McKenzie

City Manager Matthew Alexander

City of Peekskill, New York

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STATISTICAL SECTION (Unaudited)
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This part of the City's annual comprehensive 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.

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

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**INTRODUCTORY
SECTION**

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**City of Peekskill
Principle Officials**

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Phone: (914) 734-4105

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priley@cityofpeekskill.com

Kathleen Talbot, Councilwoman
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Robert Scott, Councilman
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Ramon Fernandez, Councilman
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Brian Fassett, Councilman
bfassett@cityofpeekskill.com

Dwight Douglas, Councilman
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Matthew Alexander, Acting City Manager
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Phone: (914) 734-4118

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

Phone: (914) 734-4118

Debra Petrosky, City Clerk
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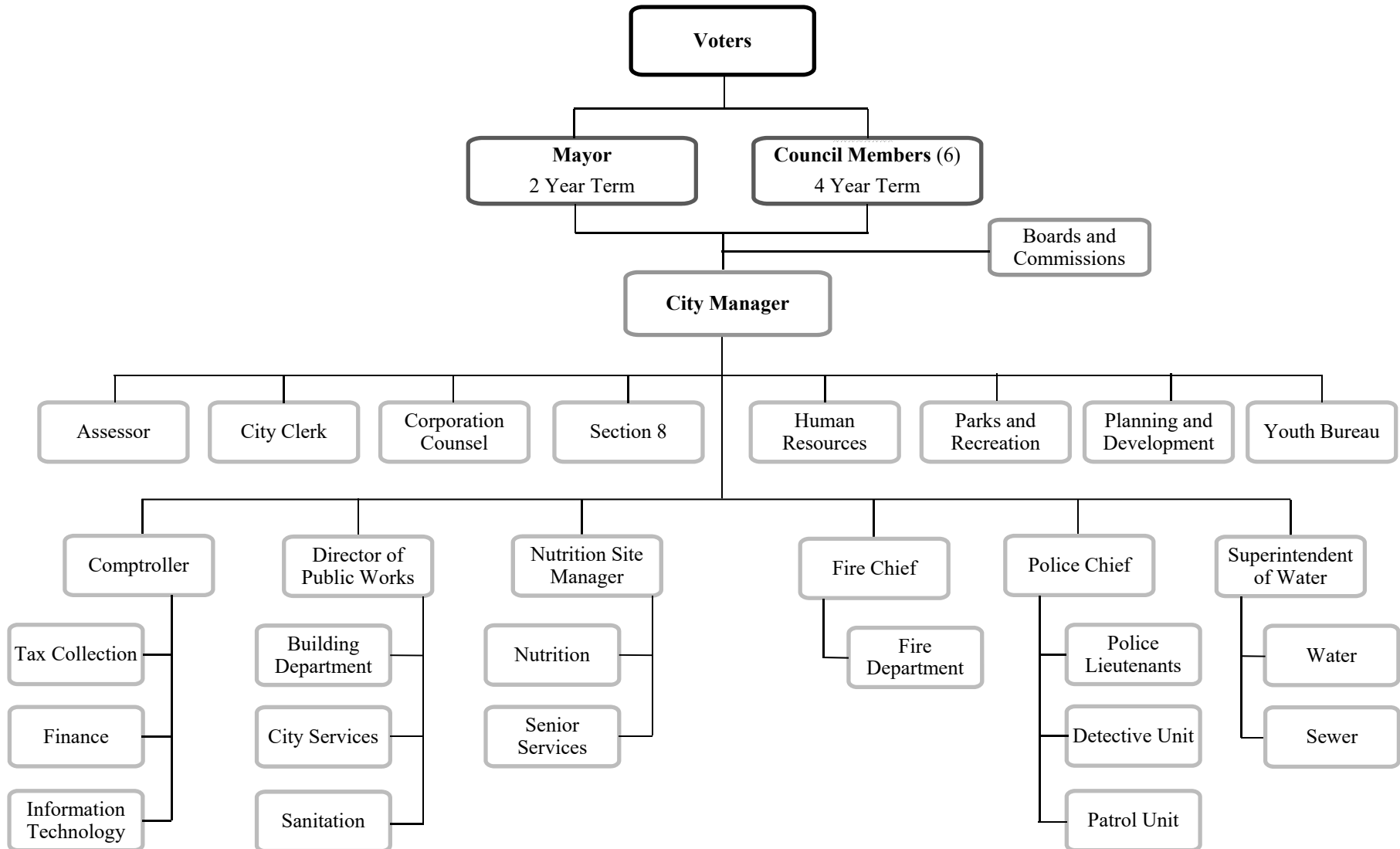
Tim Kramer, Corporation Counsel
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Phone: (914) 734-4185

Robert Morin, Assessor
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City of Peekskill Organization Chart





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

Matthew C. Alexander, CPA
Comptroller

Jessie Boyd
Deputy Comptroller

June 8, 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, 2021 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, 2021 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, 2021

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 24,111 and a per capita income of \$34,300, 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 \$432,994, just above the state-wide average of \$393,000.

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 COVID-19 pandemic lingering through all of 2021, the City continued to experience the rewards of an upward migration out of New York City and the higher than expected revenue that goes with it. However, the City is cautiously optimistic that its retail and office economies will recover where it has been

negatively impacted. It has yet to be seen how this will impact the future of commercial activity in the City of Peekskill as the nation adjusts to a post pandemic “new normal.”

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

The City is subject to the provisions of the New York State “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 2021 projects represent significant public and private investment:

- A new building for the Hudson Valley Credit Union at 3 North Broad Street in downtown was completed and occupied in 2021.
- The Center Diner at 13 Bank Street is undergoing a major renovation and expansion in the Downtown Historic District, with new residential space being constructed behind the diner.
- A \$55 million 10-story mixed use development is nearing completion with 181 market rate residential units and 5 retail stores.
- A new \$12.5 million facility with 53 affordable units exclusively for Senior Citizens at the eastern entrance to the City was completed and occupied in 2021, 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. The developer joined an apprenticeship program and hired a local apprentice who received skilled career training.
- 216 S. Division Street – A new mixed use building in the Downtown Historic District is nearing completion with 22 market rate residential units and two retail storefronts.
- 505 South Street – A new 51 unit luxury residential building with recreation space and outdoor swimming pool has begun site work.
- 108 N. Division Street (Busy Corner) renovation is completed and includes 13 residential units with a rooftop terrace and five renovated commercial spaces on the first floor.
- 190 N. Water Street building renovation for Bre and Co and for other new craftsman businesses is almost complete.

- A decommissioned firehouse in downtown was sold to and renovated by the Peekskill Central School District as a parent resource center, and is in full operation. It allowed for additional classroom space to be available in the high school for an expanded STEAM program.
- The City issued a license agreement for a vacant property to the Ecological Citizen's Project, who installed a professionally-run urban farm in downtown that is serving the local community.
- A second round of the Microenterprise Program is being completed which offered grant assistance to existing and new small businesses in Peekskill that provide jobs to low and moderate income persons.
- The historic Fort Hill Park is undergoing renovations with the addition of new hiking trails, kiosks, and interpretive signage.
- The reconstruction of Fleischmann Pier and improvements to Charles Point Pier Park are about to begin, made possible by \$3.2 million of State grant funds and City matching funds. Agreements with tour boat and cruise ship companies will promote Peekskill as a major tourism destination in the region.

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

Relevant Financial Policies

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

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

The City procures conventional insurance policies for workers compensation, general liability, excess liability, law enforcement liability, public official's liability, employment practices liability, commercial automobile; crime and property coverage, 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 Annual Comprehensive

Financial Report for the fiscal year ended December 31, 2020. This was the sixth consecutive year the City prepared a ACFR, 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, PKF O'Connor Davies, LLP, for their suggestions and input in preparing this report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Matthew C. Alexander", with a stylized flourish at the end.

Matthew C. Alexander
Comptroller

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peekskill
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Peekskill, New York ("City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Water, and Non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2021 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 for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated June 4, 2021, 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, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Other Information

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 1, 2022

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City of Peekskill, New York

Management's Discussion and Analysis December 31, 2021

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, 2021. 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 2021 are as follows:

- In response to the continuation COVID-19, for the year ending in 2021, the Common Council adopted a conservative budget which considered a great deal of uncertainty and risk associated with the pandemic, the economic impact of high real estate costs as well as supply chain issues.
- The City of Peekskill has a negative net position of \$84.69 million, an increase from a negative \$86.60 million at the end of 2020. The negative position is due to a cumulative effect of change in accounting principle in reporting Other Postemployment Benefits other than Pensions ("OPEB").
- Included in the government-wide financial statements are liabilities that represent estimates for 2021 other post employment benefit obligations of \$179.14 million, net pension liabilities of \$4.08 million, future liability and workers compensation claims of \$2.27 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, 2021 of \$160.57 million is primarily due to the OPEB liability.
- The City's governmental fund financial statements reported a combined fund balance of \$33.05 million at December 31, 2021; as compared to \$28.96 million at December 31, 2020, 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 \$48.43 million at December 31, 2021 and \$53.42 million at December 31, 2020. Decrease is due to the principal payments of \$4.99 million.
- Included in the governmental fund balances at December 31, 2021 is an assigned portion of the Water Fund of \$6.12 million and the Sewer Fund of \$2.53 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, 2021 the City has committed a portion of its General Fund fund balance for specific purposes such as: New York State Retirement System expenditures, tax rate stabilization and tax certiorari payments. These earmarks enable management to meet unexpected increases in state mandated costs. The total amount of the General Fund earmarks is \$873,975, 2.17% 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 2021 at \$4.64 million.
- The City's General Fund operating expenses are \$40.30 million for 2021 and \$38.91 million for 2020. Expenses for 2021 are \$2.57 million less than budgeted.
- The City's General Fund operating revenues are \$43.75 million for 2021 and \$39.53 million for 2020 exclusive of other financing sources. Revenue for 2021 was more than the 2021 Adjusted Budget by \$3.21 million.
- Sales Tax revenue realized was \$5.87 million, resulting in a \$1,268,293 favorable revenue variance in 2021. Transfer tax revenues continue to exceed budget, with a 2021 total of \$1.23 million.
- Real property taxes, payments in lieu of taxes and penalty and interest on taxes totaled \$25.34 million and \$24.11 million for 2021 and 2020, 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 \$84.69 million at the close of the current fiscal year.

Net Position (in thousands)

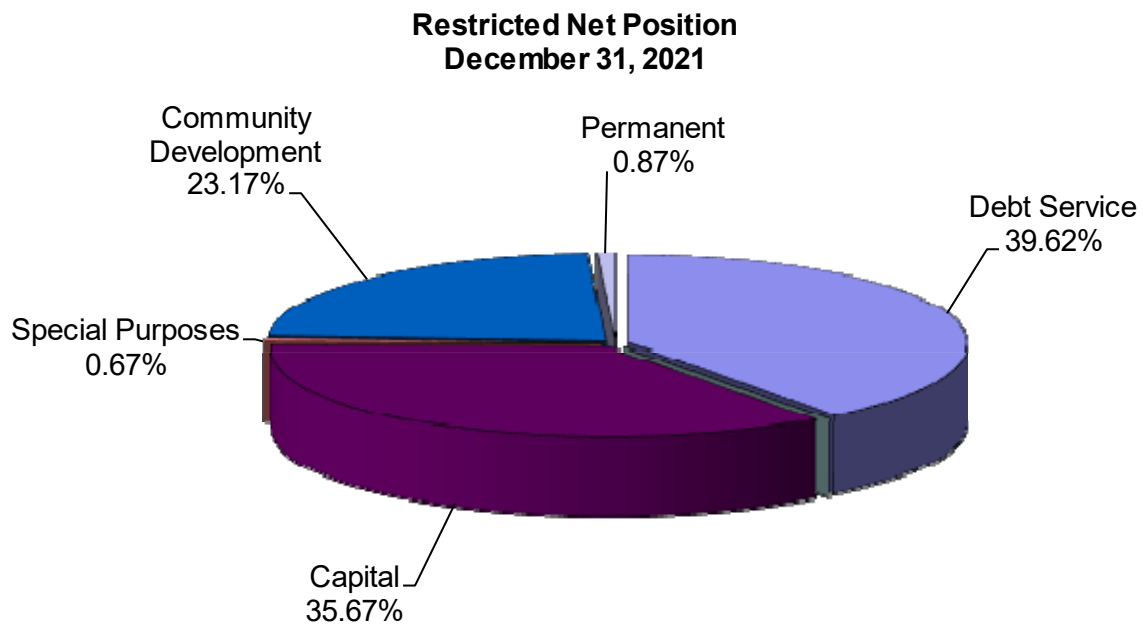
	December 31,	
	2021	2020
Current Assets	\$ 44,035	\$ 38,711
Capital Assets, net	112,884	116,656
Total Assets	156,919	155,367
Deferred Outflows of Resources	45,181	43,479
Current Liabilities	7,888	6,424
Long-term Liabilities	243,959	265,176
Total Liabilities	251,847	271,600
Deferred Inflows of Resources	34,948	13,849
NET POSITION		
Net Investment in Capital Assets	64,160	65,445
Restricted	11,713	10,110
Unrestricted	(160,567)	(162,158)
Total Net Position	<u>\$ (84,694)</u>	<u>\$ (86,603)</u>

One of the largest components of the City's net position reflects its investment in capital assets, net of related debt, amounting to \$64.16 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 \$11.71 million represent resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (in thousands):

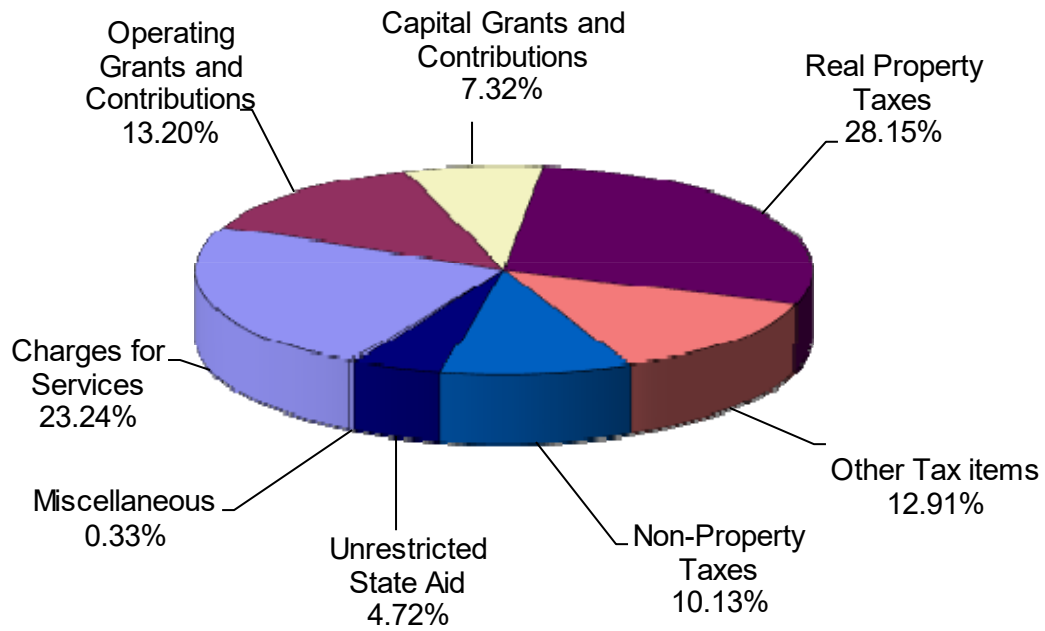
	December 31,	
	2021	2020
Debt Service	\$ 4,641	\$ 4,461
Special Purposes	78	69
Community Development	2,714	2,777
Capital	4,178	2,703
Permanent	102	100
	<u>\$ 11,713</u>	<u>\$ 10,110</u>



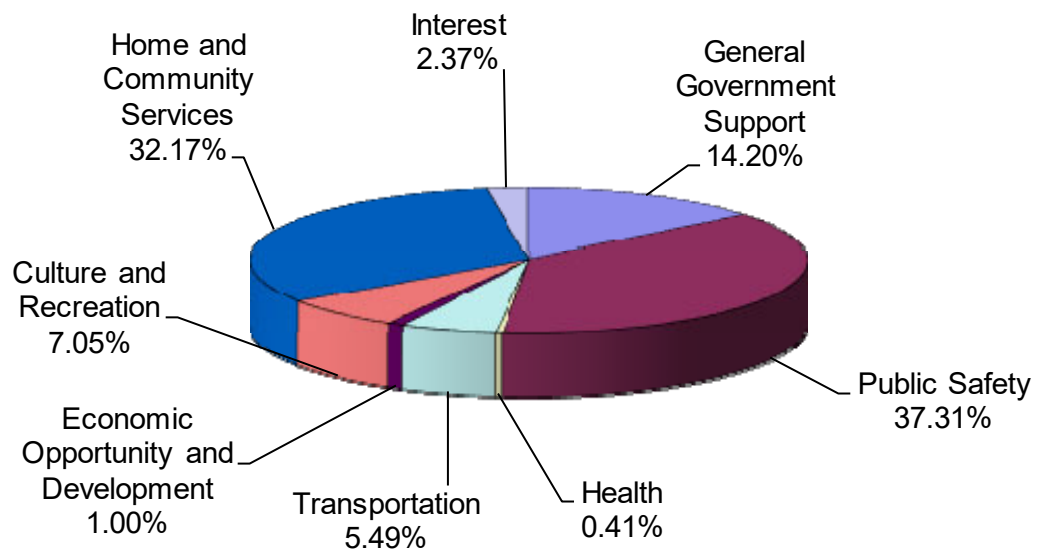
Changes in Net Position
(in thousands)

	December 31,	
	2021	2020
Program Revenues		
Charges for Services	\$ 15,560	\$ 15,847
Operating Grants and Contributions	8,838	9,197
Capital Grants and Contributions	4,903	3,103
General Revenues		
Real Property Taxes	18,846	17,228
Other Tax items	8,642	7,983
Non-Property Taxes	6,780	5,737
Unrestricted Use of Money and Property	23	51
Unrestricted State Aid	3,161	2,674
Sale of Property and Compensation for Loss	8	2
Insurance Recoveries	95	141
Miscellaneous	84	85
	<u>66,940</u>	<u>62,048</u>
Total Revenues		
	<u>66,940</u>	<u>62,048</u>
Program Expenses		
General Government Support	8,147	8,648
Public Safety	21,403	25,797
Health	232	479
Transportation	3,152	3,807
Economic Opportunity and Development	576	581
Culture and Recreation	4,044	3,538
Home and Community Services	18,455	16,502
Interest	1,361	1,470
	<u>57,370</u>	<u>60,822</u>
Total Expenses		
	<u>57,370</u>	<u>60,822</u>
Change in Net Position	<u>9,570</u>	<u>1,226</u>
NET POSITION		
Beginning, as reported	(86,603)	(87,829)
Prior Period Adjustment	<u>(7,661)</u>	<u>-</u>
Beginning, as restated	<u>(94,264)</u>	<u>(87,829)</u>
Ending	<u>\$ (84,694)</u>	<u>\$ (86,603)</u>

Sources of Revenue for Fiscal Year 2021 Governmental Activities



Source of Expense for Fiscal Year 2021 Governmental Activities



Governmental activities increased the City's net position by \$9.57 million in 2021. A prior period of adjustment of \$7.66 million decreased it for previously unrecorded depreciation. The total City governmental activities revenues in 2021 and 2020 were \$66.94 million and \$62.05 million, respectively. Real property taxes provided 28.15% of total revenues in 2021. Charges for services, operating grants and contributions, and capital grants and contributions provided 43.76% in 2021 and 45.36% in 2020. State aid provided 4.72% and 4.31% of total revenues for the fiscal years ended December 31, 2021 and 2020, respectively.

Governmental activities expenses of the City for the year totaled \$57.37 million in 2021 and \$60.82 million in 2020. Public Safety expenses accounted for the largest portion (\$21.40 million or 37.31% in 2021 and \$25.80 million or 42.40% in 2020), followed by Home and Community Services (\$18.46 million or 32.17% in 2021 and \$16.50 million or 27.13% in 2020) 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 \$33.05 million, an increase of \$4.09 million due to increased water and sewer 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: Real Property Taxes (\$142,765) Other Tax Items (\$721,140) primarily due to the real estate activity and resulting Transfer Tax requirement; Non-Property Taxes (\$1,419,704) due to increase in Sales Tax revenue; Licenses and Permits exceeded a conservative pandemic budget (\$291,931) mainly due to the real estate market. State Aid greatly exceeded budgeted revenue (\$898,741) due to the real estate market and an increase in State Municipal Aid (AIM). Miscellaneous Revenue and Other Financing Sources had positive variances (\$48,768) and (\$13,994).

Negative budget to actual revenue variances were seen in Departmental Income (\$40,197) due to decreases in recreation and parking permit fees despite an increase in building permit fees; Fines and Forfeitures (\$28,728), Sale of Property (\$13,219), and Federal Aid (\$36,964) all had negative variances. Charges for Services (\$124,670) were negatively impacted due to a decrease in prisoner transport to Westchester County. Use of Money and Property (exclusive of Fire Service and Ambulance Service Award Programs) (\$68,598) was negative due to less than expected rental revenue from real property.

The expense categories that reflected positive variances as compared to the budget were; General Government Support (\$428,983), Culture and Recreation (\$372,796), Transportation (\$22,111), Home and Community Services (\$389,218), Employee Benefits (\$841,585) and Economic Opportunity and Development (\$21,855), Public Safety (\$199,222) and Debt Service (\$174,147).

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 2021 and 2020 were \$7.92 million and \$8.63 million respectively. Water rates are reviewed on an annual basis and compared to area averages.

Fund expenses from 2021 were \$6.40 million, increased \$0.33 million from 2020 of \$6.07 primarily due to increase staff and materials. In 2017 the City implemented a city wide advanced metering system, which included replacing over half of the water meters and installing electric monitors on all meters.

At December 31, 2021, the Assigned Fund Balance of the Water Fund was \$6.12 million, increased from the 2020 balance of \$4.80 million. The \$1.32 million increase in the fund balance was annually due to a \$175,454 increase in revenues while reducing expenditures by \$1.15 million.

Section 8 Housing Fund

Assigned Fund Balance

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

Administrative fees in excess of administrative expenses in calendar year 2021 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, 2021 and 2020 amounted to \$112.89 million and \$109.94 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 \$10.02 million.

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

	December 31,	
	2021	2020
Capital Assets not being depreciated:		
Land	\$ 11,202	\$ 11,202
Construction-in-Progress	11,739	12,408
Capital Assets being depreciated:		
Land Improvements	20,003	18,872
Buildings and improvements	63,948	61,350
Machinery and Equipment	4,008	3,873
Infrastructure	1,985	2,235
Total Capital Assets, Net	<u>\$ 112,885</u>	<u>\$ 109,940</u>

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

Long-Term Debt

At the end of the current fiscal year, the City had total bond payable debt outstanding of \$44.06 million. All of this debt is backed by the full faith and credit of the City.

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

Fund	2021	2020
General	\$ 25,717	\$ 28,060
Water	18,110	20,200
Sewer	228	395
Total	<u>\$ 44,055</u>	<u>\$ 48,655</u>

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

At the end of the current fiscal year, the City had total Notes Payable outstanding of \$6.04 million which included a Bond Anticipation Note of \$1.85 million and Capital Leases of \$4.19 million.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limit and without affecting the City's authority to issue debt subject to the limit. At December 31, 2021, the City of Peekskill had used \$43.7 million or 31.23% of the constitutional debt limit leaving 68.77% remaining to be used.

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

Requests for Information

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

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

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**BASIC FINANCIAL
STATEMENTS**

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City of Peekskill, New York

Statement of Net Position
December 31, 2021

	Primary Government	Component Unit
	Governmental Activities	City of Peekskill Industrial Development Agency
ASSETS		
Cash and equivalents	\$ 29,443,291	\$ 1,223,205
Investments	3,642,461	-
Receivables		
Taxes	1,852,150	-
Accounts	1,458,301	-
Water rents	2,043,043	-
Sewer rents	446,306	-
State and Federal aid	1,701,027	-
Due from other governments	1,063,918	-
Loans	822,043	-
Prepaid expenses	1,388,183	-
Inventories	174,460	-
Capital assets		
Not being depreciated	22,940,697	308,750
Being depreciated, net	89,943,638	-
Total Assets	156,919,518	1,531,955
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	20,809,710	-
OPEB related	22,060,775	-
Length of service award programs	1,320,299	-
Deferred charge on refunding bonds	989,807	-
Total Deferred Outflows of Resources	45,180,591	
LIABILITIES		
Accounts payable	404,581	-
Accrued liabilities	719,425	-
Bond anticipation notes payable	1,850,000	-
Due to component unit	75,629	-
Due to fiduciary fund	1,654,387	-
Retainages payable	19,775	-
Deposits payable	1,275,470	-
Employee payroll tax deductions	342,117	-
Unearned revenues	1,314,709	-
Accrued interest payable	231,751	-
Non-current liabilities		
Due within one year	5,561,711	-
Due in more than one year	238,396,980	-
Total Liabilities	251,846,535	-
DEFERRED INFLOWS OF RESOURCES		
Pension related	22,312,076	-
OPEB related	12,365,958	-
Length of service award programs	269,545	-
Total Deferred Inflows of Resources	34,947,579	
NET POSITION		
Net investment in capital assets	64,159,500	308,750
Restricted for		
Capital projects	4,178,140	-
Community development	2,713,358	-
Debt service	4,641,291	-
Special Purpose	78,327	-
Permanent Fund	2,343	-
Permanent Fund - Nonexpendable	100,000	-
Unrestricted	(160,566,964)	1,223,205
Total Net Position	\$ (84,694,005)	\$ 1,531,955

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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 8,146,513	\$ 2,519,040	\$ 600	\$ -
Public safety	21,403,051	866,442	375,987	-
Health	232,352	76,913	113,334	-
Transportation	3,151,639	799,904	-	413,352
Economic opportunity and development	575,968	65,142	322,753	-
Culture and recreation	4,043,614	561,228	294,814	50,000
Home and community services	18,455,576	10,670,877	7,730,320	4,439,524
Interest	1,360,855	-	-	-
Total Governmental Activities - Primary Government	<u>\$ 57,369,568</u>	<u>\$ 15,559,546</u>	<u>\$ 8,837,808</u>	<u>\$ 4,902,876</u>
Component Unit -				
City of Peekskill				
Industrial Development Agency	<u>\$ 76,426</u>	<u>\$ 251,239</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues
Real property taxes
Other tax items
Interest and penalties on real property taxes
Gain on sale of tax acquired property
Payments in lieu of taxes
Real estate transfer tax
Non-property taxes
Non-property tax distribution from County
Utilities gross receipts taxes
Hotel tax
Cable television franchise fees
Unrestricted use of money and property
Sale of property and compensation for loss
Unrestricted State aid
Miscellaneous
Insurance recoveries

Total General Revenues

Change in Net Position

NET POSITION

Beginning, as reported

Prior Period Adjustment

Beginning, as restated

Ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	City of Peekskill Industrial Development Agency
\$ (5,626,873)	\$ -
(20,160,622)	-
(42,105)	-
(1,938,383)	-
(188,073)	-
(3,137,572)	-
4,385,145	-
(1,360,855)	-
(28,069,338)	-
-	174,813
18,846,022	-
412,973	-
162,500	-
6,834,420	-
1,231,847	-
5,868,293	-
324,656	-
201,588	-
385,167	-
22,568	2,617
7,781	-
3,161,309	-
86,068	-
94,535	-
37,639,727	2,617
9,570,389	177,430
(86,602,575)	1,354,525
(7,661,819)	-
(94,264,394)	1,354,525
\$ (84,694,005)	\$ 1,531,955

City of Peekskill, New York

Balance Sheet
Governmental Funds
December 31, 2021

	General	Capital Projects	Water
ASSETS			
Cash and equivalents	\$ 17,118,996	\$ 2,563,175	\$ 4,194,070
Investments	3,642,461	-	-
Taxes receivable, net of allowance for uncollectible amounts	1,852,150	-	-
Other receivables			
Accounts	458,301	-	-
Water rents	-	-	2,043,043
Sewer rents	-	-	-
State and Federal aid	1,651,027	50,000	-
Due from other governments	1,063,918	-	-
Loans	-	-	-
Due from other funds	1,787,355	-	-
	4,960,601	50,000	2,043,043
Prepaid expenditures	1,227,320	-	100,743
Inventories	-	-	174,460
Total Assets	<u>\$ 28,801,528</u>	<u>\$ 2,613,175</u>	<u>\$ 6,512,316</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 318,466	\$ -	\$ 69,864
Accrued liabilities	640,340	-	50,612
Deferred revenue	-	-	-
Retainages payable	-	19,775	-
Bond anticipation notes payable	-	1,850,000	-
Due to component unit	75,629	-	-
Due to other funds	-	1,799,699	-
Due to fiduciary fund	1,654,387	-	-
Deposits payable	1,275,470	-	-
Employee payroll deductions	342,117	-	-
Unearned revenues	1,266,710	-	-
Total Liabilities	5,573,119	3,669,474	120,476
Deferred inflows of resources			
Deferred tax revenues	1,506,473	-	-
Total Liabilities and Deferred Inflows of Resources	<u>7,079,592</u>	<u>3,669,474</u>	<u>120,476</u>
Fund balances (deficits)			
Nonspendable	1,227,320	-	275,203
Restricted	8,989,887	-	-
Committed	873,975	-	-
Assigned	1,709,381	-	6,116,637
Unassigned	8,921,373	(1,056,299)	-
Total Fund Balances (Deficits)	<u>21,721,936</u>	<u>(1,056,299)</u>	<u>6,391,840</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,801,528</u>	<u>\$ 2,613,175</u>	<u>\$ 6,512,316</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
\$ 241,418	\$ 1,891,315	\$ 3,434,317	\$ 29,443,291
-	-	-	3,642,461
-	-	-	1,852,150
-	-	-	458,301
-	-	-	2,043,043
-	-	446,306	446,306
-	-	-	1,701,027
-	-	-	1,063,918
-	822,043	-	822,043
-	-	12,344	1,799,699
-	822,043	458,650	8,334,337
-	-	60,120	1,388,183
-	-	-	174,460
\$ 241,418	\$ 2,713,358	\$ 3,953,087	\$ 44,834,882
\$ 4,823	\$ -	\$ 11,428	\$ 404,581
20,684	-	7,789	719,425
47,999	-	-	47,999
-	-	-	19,775
-	-	-	1,850,000
-	-	-	75,629
-	-	-	1,799,699
-	-	-	1,654,387
-	-	-	1,275,470
-	-	-	342,117
-	822,043	-	2,088,753
73,506	822,043	19,217	10,277,835
-	-	-	1,506,473
73,506	822,043	19,217	11,784,308
-	-	160,120	1,662,643
167,912	1,891,315	80,670	11,129,784
-	-	1,166,356	2,040,331
-	-	2,526,724	10,352,742
-	-	-	7,865,074
167,912	1,891,315	3,933,870	33,050,574
\$ 241,418	\$ 2,713,358	\$ 3,953,087	\$ 44,834,882

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City of Peekskill, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2021

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

Total Fund Balances - Governmental Funds	\$ 33,050,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	22,940,697
Capital assets - depreciable	136,597,225
Accumulated depreciation	(46,653,587)
	<u>112,884,335</u>
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	1,506,473
Loans	822,043
	<u>3,328,516</u>
Differences between expected and actual experiences, assumptions changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflow of resources on the statement of net position.	
Deferred outflows - pension related	20,809,710
Deferred outflows - OPEB related	22,060,775
Deferred outflows - length of service awards programs	1,320,299
Deferred inflows - pension related	(22,312,076)
Deferred inflows - OPEB related	(12,365,958)
Deferred inflows - length of service awards programs	(269,545)
	<u>9,243,205</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(231,751)
General obligation bonds payable	(44,055,000)
Notes payable	(4,370,370)
Retirement incentives and other pension obligations	(1,469,068)
Compensated absences	(1,674,009)
Total pension liability	(5,680,984)
Net pension liability	(4,081,927)
Landfill closure costs	(1,000,000)
Claims payable	(2,272,625)
Total OPEB liability	(179,135,436)
	<u>(243,971,170)</u>
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	
Premium on general obligation of bonds	(219,272)
Deferred amounts on refunding	989,807
	<u>770,535</u>
Net Position of Governmental Activities	<u>\$ (84,694,005)</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, 2021

	General	Capital Projects	Water	Section 8 Housing
REVENUES				
Real property taxes	\$ 18,087,765	\$ -	\$ -	\$ -
Other tax items	8,641,740	-	-	-
Non-property taxes	6,779,704	-	-	-
Departmental income	3,894,896	-	7,920,278	-
Charges for services	55,330	-	-	-
Use of money and property	632,988	-	-	-
Licenses and permits	857,331	-	-	-
Fines and forfeitures	746,272	-	-	-
Sale of property and compensation for loss	7,781	-	-	-
State aid	3,271,941	474,095	-	-
Federal aid	597,275	24,619	-	7,656,342
Miscellaneous	180,771	4,404,162	25,176	13,961
Total Revenues	43,753,794	4,902,876	7,945,454	7,670,303
EXPENDITURES				
Current				
General government support	4,879,243	-	-	-
Public safety	12,823,233	-	-	-
Health	132,832	-	-	-
Transportation	2,046,194	-	-	-
Economic opportunity and development	529,954	-	-	-
Culture and recreation	2,606,256	-	-	-
Home and community services	2,391,868	-	3,891,568	8,045,901
Employee benefits	11,269,440	-	-	-
Debt service				
Principal	2,776,465	-	2,090,000	-
Interest	846,460	-	420,335	-
Capital outlay	-	6,526,266	-	-
Total Expenditures	40,301,945	6,526,266	6,401,903	8,045,901
Excess (Deficiency) of Revenues Over Expenditures	3,451,849	(1,623,390)	1,543,551	(375,598)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	94,535	-	-	-
Transfers in	687,459	675,000	-	-
Transfers out	(500,000)	-	(260,000)	-
Total Other Financing Sources (Uses)	281,994	675,000	(260,000)	-
Net Change in Fund Balances	3,733,843	(948,390)	1,283,551	(375,598)
FUND BALANCES (DEFICITS)				
Beginning of Year, as restated	17,988,093	(107,909)	5,108,289	543,510
End of Year	\$ 21,721,936	\$ (1,056,299)	\$ 6,391,840	\$ 167,912

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

Community Development	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 18,087,765
-	-	8,641,740
-	-	6,779,704
-	1,759,605	13,574,779
-	-	55,330
34,841	15	667,844
-	-	857,331
-	-	746,272
-	-	7,781
-	-	3,746,036
-	-	8,278,236
77,049	20,277	4,721,396
111,890	1,779,897	66,164,214
-	-	4,879,243
-	-	12,823,233
-	-	132,832
-	-	2,046,194
-	-	529,954
-	10,531	2,616,787
-	730,136	15,059,473
-	-	11,269,440
-	130,900	4,997,365
-	17,974	1,284,769
-	-	6,526,266
-	889,541	62,165,556
111,890	890,356	3,998,658
-	-	94,535
-	-	1,362,459
(98,000)	(504,459)	(1,362,459)
(98,000)	(504,459)	94,535
13,890	385,897	4,093,193
1,877,425	3,547,973	28,957,381
<u>\$ 1,891,315</u>	<u>\$ 3,933,870</u>	<u>\$ 33,050,574</u>

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City of Peekskill, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 4,093,193
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	6,946,871
Depreciation expense	(4,002,805)
	<u>2,944,066</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	758,257
Departmental income	(77,049)
	<u>681,208</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.	
Principal paid on general obligation bonds	4,600,000
Principal paid on notes	397,365
	<u>4,997,365</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	30,331
Retirement incentives and other pension liabilities	377,663
Compensated absences	39,992
Changes in pension liabilities and related deferred outflows and inflows of resources	927,748
Changes in length of service awards program liabilities and related deferred outflows and inflows of resources	(328,792)
Claims	200,047
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(4,286,015)
Amortization of premium and loss on refunding	(106,417)
	<u>(3,145,443)</u>
Change in Net Position of Governmental Activities	<u>\$ 9,570,389</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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 17,945,000	\$ 17,945,000	\$ 18,087,765	\$ 142,765
Other tax items	7,920,600	7,920,600	8,641,740	721,140
Non-property taxes	5,360,000	5,360,000	6,779,704	1,419,704
Departmental income	3,877,800	3,935,093	3,894,896	(40,197)
Charges for services	180,000	180,000	55,330	(124,670)
Use of money and property	417,000	417,000	632,988	215,988
Licenses and permits	565,400	565,400	857,331	291,931
Fines and forfeitures	775,000	775,000	746,272	(28,728)
Sale of property and compensation for loss	21,000	21,000	7,781	(13,219)
State aid	2,373,200	2,373,200	3,271,941	898,741
Federal aid	205,000	634,239	597,275	(36,964)
Miscellaneous	132,000	132,003	180,771	48,768
Total Revenues	39,772,000	40,258,535	43,753,794	3,495,259
EXPENDITURES				
Current				
General government support	4,808,457	5,308,226	4,879,243	428,983
Public safety	13,882,461	13,022,455	12,823,233	199,222
Health	372,000	150,458	132,832	17,626
Transportation	2,006,600	2,068,305	2,046,194	22,111
Economic opportunity and development	453,269	551,809	529,954	21,855
Culture and recreation	2,453,963	2,979,052	2,606,256	372,796
Home and community services	2,611,113	2,781,086	2,391,868	389,218
Employee benefits	12,044,000	12,111,025	11,269,440	841,585
Debt service				
Principal	2,777,116	2,941,166	2,776,465	164,701
Interest	785,859	855,906	846,460	9,446
Total Expenditures	42,194,838	42,769,488	40,301,945	2,467,543
Excess (Deficiency) of Revenues Over Expenditures	(2,422,838)	(2,510,953)	3,451,849	5,962,802
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	50,000	50,000	94,535	44,535
Transfers in	718,000	718,000	687,459	(30,541)
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	268,000	268,000	281,994	13,994
Net Change in Fund Balances	(2,154,838)	(2,242,953)	3,733,843	5,976,796
FUND BALANCES				
Beginning of Year	2,154,838	2,242,953	17,988,093	15,745,140
End of Year	\$ -	\$ -	\$ 21,721,936	\$ 21,721,936

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

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

City of Peekskill, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	<u>Custodial Fund</u>
ASSETS	
Real property taxes receivable for other governments	\$ 19,033,696
Due from other funds	<u>1,654,387</u>
 Total Assets	 <u>20,688,083</u>
 LIABILITIES	
Due to other governments	<u><u>\$ 20,688,083</u></u>

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

City of Peekskill, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2021

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 57,445,233
DEDUCTIONS	
Payments of real property taxes to other governments	<u>57,445,233</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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City of Peekskill, New York

Notes to Financial Statements
December 31, 2021

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

C. Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Fund Categories

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

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

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

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

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 one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability, total pension liability, certain claims, landfill closure costs and other Postemployment benefits liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under 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 Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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, 2021.

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,

Note 1 - Summary of Significant Accounting Policies (Continued)

New York State law and the County charter provide that the City satisfy the warrants of the school districts by August 31st of the fiscal year following that year for which such taxes were levied. Thus, the City's fiduciary responsibility for school districts taxes is from the date of the levy until the respective due dates, at which time the City will satisfy its obligations, regardless of the amounts collected. County and school districts taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

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

Due From/To Other Funds and Due From/To 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, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$20,816 for parking permits and \$1,245,894 in American Rescue Plan Act funds received in advance in the General Fund and \$822,043 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The City reported deferred outflows of resources of \$989,807 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City reported deferred inflows of resources of \$1,506,473 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year 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 31.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 1, 2022.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitations

The amount that may be raised by the City for real property taxes in any fiscal year for purposes other than for debt service on City indebtedness, is limited by the Constitution of the State of New York, to two percent of the five year average full valuation of taxable real estate located within the City. For 2021, the maximum amount which could have been raised was \$37,897,710, which exceeded the levy by \$19,852,710.

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. Prior Period Adjustments

The City recorded a prior period adjustment of (\$576,319) to the January 1, 2020 fund balance in the General Fund as a result of a change in accounting for real property taxes. Previously, uncollected county, village and school districts taxes were reflected in nonspendable fund balance. It was determined in the current year from provisions of GASB Statement No. 84, "*Fiduciary Activities*", that these uncollected amounts were more properly reflected as a deferred inflow of resources and that these non-city taxes should also follow the sixty-day subsequent collection revenue recognition requirements applied to the collection of City taxes. In addition, a related prior period adjustment of (\$7,661,819) was reported in the government-wide financial statements. Of this (\$946,407) relates to the change in accounting for real property taxes and (\$6,715,412) relates to an increase in previously reported accumulated depreciation.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Expenditures in Excess of Budget

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

	<u>Amount</u>
General Fund	
General Government Support	
Parking Violations Bureau	\$ 3
Debt Service	
Interest Notes	77,918

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

City Hall - 2019 Equipment	\$ 175,633
Street Paving	589,224
Water Meter Upgrade	76,400
Central Firehouse	1,585,286
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
Louisa Street CDBG	82,524
Clean Water Grant	75,000
Vehicle Charging Stations	1,432
Storm Water	50,905
4 Nelson Ave Roof Replacement	456,784

E. Capital Projects Fund Deficits

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

City Hall - 2015 Equipment	\$ 49,694
City Hall - 2019 Equipment	175,633
Street Paving	564,225
Water Meter Upgrade	76,400
Central Firehouse	1,585,286
Purchase of Lower South Street	1,970
Hollowbrook Pump Station	41,491
Feasibility Study - White Plains Linen Complex	105,450
Peekskill Multi Use Trail	128,025
Louisa Street CDBG	82,524
Clean Water Grant	25,000
Vehicle Charging Stations	1,432
Main Street Streetscape	27,275
Storm Water	63,250
4 Nelson Ave Roof Replacement	456,784

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds

A. Investments

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

Ambulance Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bond funds	\$ 119,284	\$ -	\$ -	\$ 16,091	\$ 71,085	\$ 32,108
Common stock	393,272	393,272	-	-	-	-
Corporate bonds	139,458	-	-	139,458	-	-
U.S. and international equities funds	312,360	312,360	-	-	-	-
	<u>\$ 964,374</u>	<u>\$ 705,632</u>	<u>\$ -</u>	<u>\$ 155,549</u>	<u>\$ 71,085</u>	<u>\$ 32,108</u>

Type of investment	Fair Value	N/A	A or Better	BB
Bond funds	\$ 119,284	\$ -	\$ 119,284	\$ -
Common stock	393,272	393,272	-	-
Corporate bonds	139,458	-	99,411	40,047
U.S. and international equities funds	312,360	312,360	-	-
	<u>\$ 964,374</u>	<u>\$ 705,632</u>	<u>\$ 218,695</u>	<u>\$ 40,047</u>

Fire Service Award Program

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bond funds	\$ 883,777	\$ -	\$ -	\$ -	\$ 883,777	\$ -
Common stock	544,100	544,100	-	-	-	-
Corporate bonds	624,064	-	-	133,011	397,662	93,391
Insurance contracts	53,237	53,237	-	-	-	-
U.S. and international equities funds	572,909	572,909	-	-	-	-
	<u>\$ 2,678,087</u>	<u>\$ 1,170,246</u>	<u>\$ -</u>	<u>\$ 133,011</u>	<u>\$ 1,281,439</u>	<u>\$ 93,391</u>

Type of investment	Fair Value	N/A	A or Better	BBB	BB	B
Bond funds	\$ 883,777	\$ -	\$ 631,623	\$ 91,290	\$ 160,864	\$ -
Common stock	544,100	544,100	-	-	-	-
Corporate bonds	624,064	-	-	397,662	93,391	133,011
Insurance contracts	53,237	53,237	-	-	-	-
U.S. and international equities funds	572,909	572,909	-	-	-	-
	<u>\$ 2,678,087</u>	<u>\$ 1,170,246</u>	<u>\$ 631,623</u>	<u>\$ 488,952</u>	<u>\$ 254,255</u>	<u>\$ 133,011</u>

Total Investments \$ 3,642,461

The investments above in fixed income, mutual funds and common stock are measured using level 1 inputs as of December 31, 2021.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

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

Taxes receivable at December 31, 2021 consisted of the following:

City Taxes	\$	709,520
County Taxes		303,094
School Districts Taxes		873,031
Installment agreements		49,279
Allowance of uncollectible taxes		<u>(82,774)</u>
	\$	<u>1,852,150</u>

Taxes in the fund financial statements are also partially offset by deferred tax revenues of \$1,506,473, 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 \$822,043 reported in the Community Development Fund as of December 31, 2021 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, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,787,355	\$ 1,730,016
Capital Projects	-	1,799,699
Non-Major Governmental	12,344	-
Fiduciary	1,654,387	-
Due to component unit	<u>75,629</u>	<u>-</u>
	<u>\$ 3,529,715</u>	<u>\$ 3,529,715</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, 2021

Note 3 - Detailed Notes on All Funds (Continued)

E. Capital Assets

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

Class	Balance, as Reported January 1, 2021	Prior Period Adjustment	Balance, as Restated January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets, not being depreciated:						
Land	\$ 11,201,915	\$ -	\$ 11,201,915	\$ -	\$ -	\$ 11,201,915
Construction-in-progress	12,407,597	-	12,407,597	6,405,330	7,074,145	11,738,782
Total Capital Assets, Not Being Depreciated	<u>\$ 23,609,512</u>	<u>\$ -</u>	<u>\$ 23,609,512</u>	<u>\$ 6,405,330</u>	<u>\$ 7,074,145</u>	<u>\$ 22,940,697</u>
Capital Assets, being depreciated:						
Land improvements	\$ 27,264,712	\$ -	\$ 27,264,712	\$ 2,309,943	\$ -	\$ 29,574,655
Buildings and improvements	72,771,365	-	72,771,365	4,574,789	-	77,346,154
Machinery and equipment	12,567,258	-	12,567,258	730,954	-	13,298,212
Infrastructure	16,378,204	-	16,378,204	-	-	16,378,204
Total Capital Assets, Being Depreciated	<u>128,981,539</u>	<u>-</u>	<u>128,981,539</u>	<u>7,615,686</u>	<u>-</u>	<u>136,597,225</u>
Less Accumulated Depreciation for:						
Land improvements	7,399,951	991,990	8,391,941	1,179,782	-	9,571,723
Buildings and improvements	6,302,776	5,118,978	11,421,754	1,976,515	-	13,398,269
Machinery and equipment	8,676,905	17,138	8,694,043	596,304	-	9,290,347
Infrastructure	13,555,738	587,306	14,143,044	250,204	-	14,393,248
Total Accumulated Depreciation	<u>35,935,370</u>	<u>6,715,412</u>	<u>42,650,782</u>	<u>4,002,805</u>	<u>-</u>	<u>46,653,587</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 93,046,169</u>	<u>\$ (6,715,412)</u>	<u>\$ 86,330,757</u>	<u>\$ 3,612,881</u>	<u>\$ -</u>	<u>\$ 89,943,638</u>
Capital Assets, Net	<u>\$ 116,655,681</u>	<u>\$ (6,715,412)</u>	<u>\$ 109,940,269</u>	<u>\$ 10,018,211</u>	<u>\$ 7,074,145</u>	<u>\$ 112,884,335</u>

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

General Government Support	\$ 1,812,723
Public Safety	125,681
Transportation	201,203
Culture and Recreation	140,445
Home and Community Services	<u>1,722,753</u>
Total Depreciation Expense	<u>\$ 4,002,805</u>

Capital Assets – Component Units

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

Class	Balance at January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets, not being depreciated:				
Land	<u>\$ 308,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,750</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

F. Accrued Liabilities

Accrued liabilities at December 31, 2021 were as follows:

	General Fund	Water Fund	Section 8 Housing Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	\$ 628,501	\$ 50,612	\$ 20,684	\$ 7,789	\$ 707,586
Other	11,839	-	-	-	11,839
	<u>\$ 640,340</u>	<u>\$ 50,612</u>	<u>\$ 20,684</u>	<u>\$ 7,789</u>	<u>\$ 719,425</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 2021 fiscal year.

	Balance January 1, 2021	New Issues	Redemptions	Balance December 31, 2021
Tax Anticipation Note 2020	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>

The tax anticipation note was issued on July 15, 2020 and matured on January 15, 2021 with interest at 1.25%. Interest expense of \$1,146 was recorded in the government-wide financial statements and interest expenditures of \$18,750 was recorded in the General Fund.

H. Short-Term Capital Borrowings

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

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

reductions of principle are made. Interest expense of \$6,578 was recorded in the government-wide financial statements.

I. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended December 31, 2021:

	Balance January 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2021	Due Within One Year
General Obligation Bonds Payable					
Bonds Payable					
Capital construction	\$ 47,320,000	\$ -	\$ 4,045,000	\$ 43,275,000	\$ 4,080,000
Other	1,335,000	-	555,000	780,000	400,000
	48,655,000	-	4,600,000	44,055,000	4,480,000
Plus					
Unamortized premium on bonds	241,808	-	22,536	219,272	-
	48,896,808	-	4,622,536	44,274,272	4,480,000
Notes Payable	4,767,735	-	397,365	4,370,370	297,283
Other Non-Current Liabilities					
Retirement Incentives and					
Other Pension	1,846,731	-	377,663	1,469,068	390,428
Compensated Absences	1,714,001	131,008	171,000	1,674,009	167,000
Total Pension Liability - Length					
of service awards program	4,579,511	1,313,334	211,861	5,680,984	-
Net Pension Liability	22,076,585	-	17,994,658	4,081,927	-
Landfill Closure Costs	1,000,000	-	-	1,000,000	-
Claims Payable	2,472,672	275,419	475,466	2,272,625	227,000
Other Postemployment					
Benefit Liability	177,822,425	5,629,412	4,316,401	179,135,436	-
Total Other Non-					
Current Liabilities	211,511,925	7,349,173	23,547,049	195,314,049	784,428
Total Long-Term Liabilities	\$ 265,176,468	\$ 7,349,173	\$ 28,566,950	\$ 243,958,691	\$ 5,561,711

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)**General Obligation Bonds Payable**

General Obligation Bonds payable at December 31, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2021
Other Purpose	2013	\$ 1,820,700	June, 2024	3.000-3.250 %	\$ 600,000
Public Improvements	2013	8,465,000	June, 2033	2.000-3.000	5,745,000
Tax Certiorari	2013	1,428,000	June, 2022	2.000-3.000	180,000
Public Improvements Refunding Bonds	2014	3,270,000	May, 2023	2.500-2.750	775,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	16,390,000	October, 2028	4.677-4.805	9,080,000
NYS Environmental Facilities Corporation - Refunding Bonds	2015	9,735,000	March, 2028	4.546-4.754	5,660,000
Public Improvements	2017	14,610,000	September, 2037	2.250-3.000	11,760,000
Public Improvements Refunding Bonds	2017	12,810,000	December, 2040	2.250-3.000	10,255,000
					<u>\$ 44,055,000</u>

Interest expenditures of \$698,495, \$420,335 and \$17,974 were recorded in the fund financial statements in the General, Water and Sewer funds, respectively. Interest expense of \$1,117,499 was recorded in the government-wide financial statements.

Notes Payable

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 an average annual installments of \$115,312, including interest, with maturity in 2022. The terms of the energy performance contract agreement provided for the repayment of the principal amount of \$4,479,950, with an average annual installment of \$145,123, including interest, with maturity in 2039.

Interest expenses/expenditures of \$129,215 were recorded in the General Fund financial statements and the government-wide financial statements.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonds and notes outstanding as of December 31, 2021 including interest payments of \$8,294,220 are as follows:

Year Ending December 31,	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,480,000	\$ 1,023,050	\$ 297,283	\$ 119,373	\$ 4,777,283	\$ 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	201,688	99,656	4,146,688	792,504
2026	4,105,000	575,937	207,254	94,089	4,312,254	670,026
2027-2031	13,405,000	2,048,669	1,125,291	381,427	14,530,291	2,430,096
2032-2036	6,880,000	937,575	1,289,379	217,339	8,169,379	1,154,914
2037-2040	2,735,000	144,525	862,203	41,826	3,597,203	186,351
	<u>\$ 44,055,000</u>	<u>\$ 7,125,094</u>	<u>\$ 4,370,370</u>	<u>\$ 1,169,126</u>	<u>\$ 48,425,370</u>	<u>\$ 8,294,220</u>

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

Legal Debt Margin

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

Retirement Incentives and Other Pension Obligations

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012 ERS	\$ 574,934	\$ 63,531	\$ 65,438	\$ 65,438
2012 PFRS	564,252	62,350	64,222	64,222
2013 ERS	512,112	44,741	196,434	46,424
2013 PFRS	760,826	66,471	291,832	68,969
2014 ERS	533,602	44,921	249,318	46,493
2014 PFRS	424,594	35,744	198,385	36,995
2015 ERS	412,640	33,619	226,411	34,731
2015 PFRS	322,636	26,286	177,028	27,156
	<u>\$ 4,105,596</u>	<u>\$ 377,663</u>	<u>\$ 1,469,068</u>	<u>\$ 390,428</u>

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

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

Compensated Absences

City employees earn vacation leave based upon the terms of their respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination to those who have completed one full year of service. No vacation leave may be carried over or accrued without the written authorization of the City Manager. Sick days are allowed to be accumulated up to 200 days. Employees of the City, upon separation of service, who have accumulated a minimum 50 sick days, are compensated for 30% of their accumulated unused sick days above 50 days, 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, 2021. 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, 2020, 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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Plan description

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

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

Benefits provided

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

Participants covered by the benefit terms.

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	49
Inactive participants entitled to but not yet receiving benefits payments	27
Active participants	<u>53</u>
Total	<u><u>129</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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2020 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 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. 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 12/31/19 measurement date	\$ 3,674,927
Service cost	41,621
Interest	117,813
Changes in assumptions or other inputs	740,702
Differences between expected and actual experience	25,047
Benefit payments	<u>(205,281)</u>
Balance as of 12/31/20 measurement date	<u><u>\$ 4,394,829</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, 2020 measurement date, calculated using the discount rate of 1.93%, 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 (0.93%) or 1-percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	<u>\$ 5,122,390</u>	<u>\$ 4,394,829</u>	<u>\$ 3,818,169</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2021, the City recognized pension expense of \$421,896 in the Government-wide financial statements. At December 31, 2021, 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	\$ 43,478	\$ 3,710
Changes of assumptions or other inputs	627,394	43,422
Benefit payments & administrative expenses subsequent to the measurement date	192,623	-
	<u>\$ 863,495</u>	<u>\$ 47,132</u>

\$192,623 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, 2022.

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,	
2022	\$ 290,058
2023	264,067
2024	69,615
	<u>\$ 623,740</u>

Defined Benefit - Ambulance Service Awards Program

The City's financial statements are for the year ended December 31, 2021. 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, 2020, 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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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, 2020 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	4
Inactive participants entitled to but not yet receiving benefits payments	11
Active participants	<u>58</u>
Total	<u><u>73</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, 2021 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. 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 12/31/19 measurement date	\$ 904,584
Service cost	67,543
Interest	31,584
Changes in assumptions or other inputs	310,622
Differences between expected and actual experience	(21,598)
Benefit payments	<u>(6,580)</u>
Balance as of 12/31/20 measurement date	<u><u>\$ 1,286,155</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, 2020 measurement date, calculated using the discount rate of 1.93%, 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 (0.93%) or 1-percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	<u>\$ 1,602,234</u>	<u>\$ 1,286,155</u>	<u>\$ 1,045,316</u>

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

For the year ended December 31, 2021, the City recognized pension expense of \$113,912 in the Ambulance Service Award Fund. At December 31, 2021, 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	\$ 30,132	\$ 101,545
Changes of assumptions or other inputs	412,281	120,868
Benefit payments & administrative expenses subsequent to the measurement date	<u>14,391</u>	<u>-</u>
	<u><u>\$ 456,804</u></u>	<u><u>\$ 222,413</u></u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

\$14,391 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, 2022.

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>	
2022	\$ 10,628
2023	10,628
2024	10,628
2025	10,628
2026	10,628
Thereafter	<u>166,860</u>
	<u><u>\$ 220,000</u></u>

Pension Plans

New York State and Local Employees' Retirement System

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	18.2%
	4 A15	18.2
	5 A15	15.2
	6 A15	10.6
PFRS	2 384D	30.4%
	2 384E	31.4
	3 A14PF	29.9
	5 384D	25.5
	6 384D	19.8
	6 384E	20.5

At December 31, 2021, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2021	March 31, 2021
Net pension liability	\$ 34,256	\$ 4,047,671
City's proportion of the net pension liability	0.0344026%	0.2331237%
Change in proportion since the prior measurement date	(0.0005492%)	(0.0067508%)

The net pension liability was measured as of March 31, 2021 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, 2021, the City recognized its proportionate share of pension expense in the government-wide financial statements of \$724,289 for ERS and \$2,058,507 for PFRS. Pension expenditures of \$1,376,001 for ERS and \$2,334,543 for PFRS were recorded in the fund financial statements and were charged to the following funds:

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 872,008	\$ 2,334,543
Water	280,729	-
Sewer	156,748	-
Section 8 Housing	66,516	-
Total	<u>\$ 1,376,001</u>	<u>\$ 2,334,543</u>

At December 31, 2021, the City reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 418,359	\$ -	\$ 898,157	\$ -	\$ 1,316,516	\$ -
Changes of assumptions	6,298,580	118,793	9,944,690	-	16,243,270	118,793
Net difference between projected and actual earnings on pension plan investments	-	9,840,351	-	11,901,940	-	21,742,291
Changes in proportion and differences between City contributions and proportionate share of contributions	189,673	147,119	107,964	303,873	297,637	450,992
City contributions subsequent to the measurement date	<u>1,106,813</u>	<u>-</u>	<u>1,845,474</u>	<u>-</u>	<u>2,952,287</u>	<u>-</u>
	<u>\$ 8,013,425</u>	<u>\$ 10,106,263</u>	<u>\$ 12,796,285</u>	<u>\$ 12,205,813</u>	<u>\$ 20,809,710</u>	<u>\$ 22,312,076</u>

\$1,106,813 and \$1,845,474 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, 2022. 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:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2022	\$ (530,564)	\$ (529,496)
2023	(188,343)	(71,151)
2024	(554,569)	(433,014)
2025	(1,926,175)	(2,159,177)
2026	-	1,937,836
	<u>\$ (3,199,651)</u>	<u>\$ (1,255,002)</u>

The total pension liability for the March 31, 2021 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, 2020 valuation were as follows:

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	ERS	PFRS
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Investment rate of return	5.9%	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

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

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

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

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

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	1.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	<u>100 %</u>	

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 9,508,151</u>	<u>\$ 34,256</u>	<u>\$ (8,702,892)</u>
City's proportionate share of the PFRS net pension liability (asset)	<u>\$ 17,212,979</u>	<u>\$ 4,047,671</u>	<u>\$ (6,849,801)</u>

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 220,680,157,000	\$ 41,236,775,000	\$ 261,916,932,000
Fiduciary net position	<u>220,580,583,000</u>	<u>39,500,500,000</u>	<u>260,081,083,000</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 1,736,275,000</u>	<u>\$ 1,835,849,000</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>95.79%</u>	<u>99.30%</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, 2021 represent the employer contribution for the period of April 1, 2021 through December 31, 2021 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, 2021 were \$1,106,813 and \$1,845,474, respectively.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

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

Landfill Closure Costs

State and Federal laws and regulations require the closure of the former City landfill site. The amount of \$1,000,000 is reported as a landfill closure costs liability in the government-wide financial statements at December 31, 2021. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Claims Payable

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

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	General Liability and Casualty	Workers' Compensation	General Liability and Casualty	Workers' Compensation
Balance - Beginning of Year	\$ 1,781,433	\$ 691,239	\$ 1,491,405	\$ 815,734
Provision for Claims and Claims Adjustment Expenses	282,612	(7,193)	558,425	46,766
Claims and Claims Adjustment Expenses Paid	<u>(402,250)</u>	<u>(73,216)</u>	<u>(268,397)</u>	<u>(171,261)</u>
Balance - End of Year	<u>\$ 1,661,795</u>	<u>\$ 610,830</u>	<u>\$ 1,781,433</u>	<u>\$ 691,239</u>
Due Within One Year	<u>\$ 166,000</u>	<u>\$ 61,000</u>	<u>\$ 178,000</u>	<u>\$ 69,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability ("OPEB")

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

At December 31, 2021, the following employees were covered by the benefit terms:

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

The City's total OPEB liability of \$179,135,436 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2020.

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	2.05%
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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The City's change in the total OPEB liability for the year ended December 31, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 177,822,425
Service cost	3,173,404
Interest	3,601,117
Changes in assumptions or other inputs	(1,145,109)
Benefit payments	<u>(4,316,401)</u>
Total OPEB Liability - End of Year	<u>\$ 179,135,436</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 (1.05%) or 1 percentage point higher (3.05%) than the current discount rate:

	1% Decrease (1.05%)	Current Discount Rate (2.05%)	1% Increase (3.05%)
Total OPEB Liability	<u>\$ 222,960,832</u>	<u>\$ 179,135,436</u>	<u>\$ 146,943,911</u>

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

	1% Decrease (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>\$ 143,831,464</u>	<u>\$ 179,135,436</u>	<u>\$ 227,864,102</u>

For the year ended December 31, 2021, the City recognized OPEB expense of \$8,602,416 in the government-wide financial statements. At December 31, 2021, 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>\$ 22,060,775</u>	<u>\$ 12,365,958</u>

City of Peekskill, New York

Notes to Financial Statements (Continued)
 December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

<u>Year Ended December 31,</u>		
2022	\$	1,827,895
2023		1,827,895
2024		1,827,895
2025		1,827,895
2026		1,827,895
Thereafter		<u>555,342</u>
	\$	<u><u>9,694,817</u></u>

J. Revenues and Expenditures**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 500,000	\$ 500,000
Water Fund	260,000	-	260,000
Community Development	98,000	-	98,000
Non-Major Governmental Funds	<u>329,459</u>	<u>175,000</u>	<u>504,459</u>
	<u>\$ 687,459</u>	<u>\$ 675,000</u>	<u>\$ 1,362,459</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.

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

K. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2021, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 96,681
Water Fund	341,405
Non-Major Governmental Funds	<u>66,139</u>
Total	<u>\$ 504,225</u>

L. Net Position

The components of net position are detailed below:

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

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

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

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

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

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

M. Fund Balance

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

City of Peekskill, New York

Notes to Financial Statements (Continued) December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	2020 (Restated)						
	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	\$ 1,290,178
Inventories	-	-	210,467	-	-	-	210,467
Permanent fund	-	-	-	-	-	100,000	100,000
Total Nonspendable	1,134,582	-	307,422	-	-	158,641	1,600,645
Restricted							
Liability and casualty claims	353,481	-	-	-	-	-	353,481
Workers compensation	247,627	-	-	-	-	-	247,627
Debt service - Fire House	4,461,300	-	-	-	-	-	4,461,300
Permanent	-	-	-	-	-	2,334	2,334
Special purpose	-	-	-	-	-	68,581	68,581
Fire service award program	2,733,258	-	-	-	-	-	2,733,258
Ambulance service award program	833,414	-	-	-	-	-	833,414
Section 8 Housing	-	-	-	543,510	-	-	543,510
Community Development	-	-	-	-	1,877,425	-	1,877,425
Total Restricted	8,629,080	-	-	543,510	1,877,425	70,915	11,120,930
Committed							
State retirement systems expenditures	300,000	-	-	-	-	-	300,000
Tax stabilization	573,975	-	-	-	-	-	573,975
Capital improvements in City parks	-	-	-	-	-	1,045,366	1,045,366
Total Committed	873,975	-	-	-	-	1,045,366	1,919,341
Assigned							
Purchases on order							
General government support	29,136	-	-	-	-	-	29,136
Public safety	54,935	-	-	-	-	-	54,935
Transportation	12,162	-	-	-	-	-	12,162
Culture and recreation	2,050	-	-	-	-	-	2,050
Home and community services	5,555	-	229,705	-	-	21,667	256,927
	103,838	-	229,705	-	-	21,667	355,210
Subsequent year's expenditures	2,051,000	-	-	-	-	-	2,051,000
Tax certiorari payments	170,080	-	-	-	-	-	170,080
Major funds	-	-	4,571,162	-	-	-	4,571,162
Non-major funds							
Sewer	-	-	-	-	-	2,251,384	2,251,384
Total Assigned	2,324,918	-	4,800,867	-	-	2,273,051	9,398,836
Unassigned	5,025,538	(107,909)	-	-	-	-	4,917,629
Total Fund Balances (Deficits)	\$ 17,988,093	\$ (107,909)	\$ 5,108,289	\$ 543,510	\$ 1,877,425	\$ 3,547,973	\$ 28,957,381

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

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

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

City of Peekskill, New York

Notes to Financial Statements (Continued)
December 31, 2021

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, 2021 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 and the appeal was perfected on August 28, 2020, by the filing of the appellant's brief and a record on appeal. An opposition to the appeal was filed and it is expected that an oral argument before the Appellate Division, Section Department be held. The potential liability would be seven (7) 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. The plaintiff sustained serious personal injuries well in excess of \$100,000. The City and co-defendants are currently in settlement negotiations. 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.

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 City believes will most impact its financial statements. The City will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 6 - Tax Abatements

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

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

City of Peekskill, New York

Notes to Financial Statements (Concluded)
 December 31, 2021

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, 2021 is as follows:

Agreement	Taxable Assessed Value	City Tax Rate	City Tax Value	City PILOT Received	City Taxes Abated
Barham House LLC	\$ 360,000	\$ 282.146	\$ 101,572	\$ 48,781	\$ 52,791
Courtyard Housing LLC	501,750	282.146	141,567	41,215	100,352
DP49 LLC	285,000	282.146	80,412	37,768	42,644
Drum Hill Senior Living Project	210,900	282.146	59,505	143,387	(83,882)
Hotel LLC	300,000	282.146	84,644	2,800	81,844
Peekskill Artloft Owners	62,000	282.146	17,493	73,201	(55,708)
Peekskill Housing	792,000	282.146	223,459	48,226	175,233
Resco (HHSD)	17,746,000	282.146	5,006,957	2,230,339	2,776,618
Resco (PCSD)	28,954,000	282.146	8,169,245	3,888,975	4,280,270
The Abbey At Fort Hill, LLC	119,100	282.146	33,604	14,195	19,409
Ft. Hill Peekskill, LLC	843,000	282.146	237,849	21,292	216,557
The Lofts on Main LP	169,000	282.146	47,683	81,025	(33,342)
Stuhr Gardens Associates LLC	516,022	282.146	145,593	142,778	2,815
Wesley Hall Apartments	433,600	282.146	122,339	60,438	61,901
Total	<u>\$ 51,292,372</u>		<u>\$ 14,471,922</u>	<u>\$ 6,834,420</u>	<u>\$ 7,637,502</u>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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City of Peekskill, New York

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

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

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

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)							
	2021 (5)	2020 (4)	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	<u>0.0344026%</u>	<u>0.0349518%</u>	<u>0.0328235%</u>	<u>0.0314608%</u>	<u>0.0304623%</u>	<u>0.0343634%</u>	<u>0.0337201%</u>
City's proportionate share of the net pension liability	<u>\$ 34,256</u>	<u>\$ 9,255,446</u>	<u>\$ 2,325,643</u>	<u>\$ 1,015,381</u>	<u>\$ 2,862,302</u>	<u>\$ 5,515,425</u>	<u>\$ 1,139,149</u>
City's covered payroll	<u>\$ 9,808,095</u>	<u>\$ 9,549,592</u>	<u>\$ 9,450,409</u>	<u>\$ 9,354,125</u>	<u>\$ 8,810,715</u>	<u>\$ 8,226,192</u>	<u>\$ 8,387,391</u>
City's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.35%</u>	<u>96.92%</u>	<u>24.61%</u>	<u>10.85%</u>	<u>32.49%</u>	<u>67.05%</u>	<u>13.58%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
Schedule of Contributions							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 1,690,127</u>	<u>\$ 1,542,677</u>	<u>\$ 1,523,656</u>	<u>\$ 1,618,743</u>	<u>\$ 1,563,876</u>	<u>\$ 1,521,851</u>	<u>\$ 1,320,000</u>
Contributions in relation to the contractually required contribution	<u>(1,690,127)</u>	<u>(1,542,677)</u>	<u>(1,523,656)</u>	<u>(1,618,743)</u>	<u>(1,563,876)</u>	<u>(1,521,851)</u>	<u>(1,320,000)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	<u>\$ 9,469,440</u>	<u>\$ 9,710,183</u>	<u>\$ 9,591,392</u>	<u>\$ 9,298,358</u>	<u>\$ 9,306,418</u>	<u>\$ 8,590,577</u>	<u>\$ 8,515,855</u>
Contributions as a percentage of covered payroll	<u>17.85%</u>	<u>15.89%</u>	<u>15.89%</u>	<u>17.41%</u>	<u>16.80%</u>	<u>17.72%</u>	<u>15.50%</u>

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

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

(3) 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) Increase in the City's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses, and by a decrease in the discount rate from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Decrease in the City's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

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)							
	2021 (5)	2020 (4)	2019	2018	2017	2016 (3)	2015
City's proportion of the net pension liability	0.2424648%	0.2398745%	0.2361000%	0.2344788%	0.2314847%	0.2700003%	0.2583584%
City's proportionate share of the net pension liability	\$ 4,047,671	\$ 12,821,139	\$ 3,959,546	\$ 2,370,011	\$ 4,797,873	\$ 7,994,133	\$ 711,156
City's covered payroll	\$ 9,135,898	\$ 9,205,765	\$ 9,132,541	\$ 9,262,166	\$ 8,615,754	\$ 8,377,415	\$ 8,609,537
City's proportionate share of the net pension liability as a percentage of its covered payroll	45.73%	139.27%	43.36%	25.59%	55.69%	95.42%	8.26%
Plan fiduciary net position as a percentage of the total pension liability	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%
Schedule of Contributions							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,680,861	\$ 2,340,698	\$ 2,241,791	\$ 2,330,862	\$ 2,301,594	\$ 2,202,962	\$ 1,988,000
Contributions in relation to the contractually required contribution	(2,680,861)	(2,340,698)	(2,241,791)	(2,330,862)	(2,301,594)	(2,202,962)	(1,988,000)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,094,804	\$ 9,206,753	\$ 9,054,398	\$ 9,336,993	\$ 9,114,808	\$ 8,543,817	\$ 8,666,097
Contributions as a percentage of covered payroll	29.48%	25.42%	24.76%	24.96%	25.25%	25.78%	22.94%

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

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

(3) 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) Increase in the City's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses, and by a decrease in the discount rate from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Decrease in the City's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

City of Peekskill, New York

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

Schedule of Changes in the City's Total Pension Liability

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

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

Notes to Required Supplementary information

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

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

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

See independent auditors' report.

City of Peekskill, New York

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

Schedule of Changes in the City's Total Pension Liability

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

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

Notes to Required Supplementary information

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

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

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

See independent auditors' report.

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

CAPITAL PROJECTS FUND

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

WATER FUND

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

COMMUNITY DEVELOPMENT AND SECTION 8 HOUSING ASSISTANCE FUNDS

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

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City of Peekskill, New York

General Fund
Combining Balance Sheet - Sub-Funds
December 31, 2021
(With Comparative Totals for 2020)

		Fire Service Awards Program	Ambulance Service Awards Program	Totals	
	General			2021	2020
ASSETS					
Cash and equivalents	\$ 17,118,996	\$ -	\$ -	\$ 17,118,996	\$ 13,764,308
Investments	-	2,678,087	964,374	3,642,461	3,566,672
Taxes receivable					
City taxes	709,520	-	-	709,520	683,714
County taxes	303,094	-	-	303,094	275,055
School districts taxes	873,031	-	-	873,031	844,849
Installment agreements	49,279	-	-	49,279	145,912
	1,934,924	-	-	1,934,924	1,949,530
Allowance for uncollectible taxes	(82,774)	-	-	(82,774)	(6,390)
	1,852,150	-	-	1,852,150	1,943,140
Other receivables					
Accounts	356,279	102,022	-	458,301	397,900
State and Federal aid	1,651,027	-	-	1,651,027	1,930,713
Due from other governments	1,063,918	-	-	1,063,918	813,861
Due from other funds	1,787,355	-	-	1,787,355	1,784,920
Due from fiduciary fund	-	-	-	-	53,085
	4,858,579	102,022	-	4,960,601	4,980,479
Prepaid expenditures	1,227,320	-	-	1,227,320	1,134,582
Total Assets	<u>\$ 25,057,045</u>	<u>\$ 2,780,109</u>	<u>\$ 964,374</u>	<u>\$ 28,801,528</u>	<u>\$ 25,389,181</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 318,466	\$ -	\$ -	\$ 318,466	\$ 666,769
Accrued liabilities	640,340	-	-	640,340	578,865
Due to other governments	-	-	-	-	54,656
Due to fiduciary fund	1,654,387	-	-	1,654,387	-
Deposits payable	1,275,470	-	-	1,275,470	1,020,031
Employee payroll deductions	342,117	-	-	342,117	371,708
Tax Anticipation Note Payable	-	-	-	-	3,000,000
Due from component unit	75,629	-	-	75,629	-
Unearned revenues	1,266,710	-	-	1,266,710	20,826
Total Liabilities	5,573,119	-	-	5,573,119	5,712,855
Deferred inflows of resources					
Deferred tax revenues	1,506,473	-	-	1,506,473	1,688,233
Total Liabilities and Deferred Inflows of Resources	7,079,592	-	-	7,079,592	7,401,088
Fund balances					
Nonspendable	1,227,320	-	-	1,227,320	1,134,582
Restricted	5,245,404	2,780,109	964,374	8,989,887	8,629,080
Committed	873,975	-	-	873,975	873,975
Assigned	1,709,381	-	-	1,709,381	2,324,918
Unassigned	8,921,373	-	-	8,921,373	5,025,538
Total Fund Balances	17,977,453	2,780,109	964,374	21,721,936	17,988,093
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,057,045</u>	<u>\$ 2,780,109</u>	<u>\$ 964,374</u>	<u>\$ 28,801,528</u>	<u>\$ 25,389,181</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, 2021
(With Comparative Totals for 2020)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Eliminations
REVENUES				
Real property taxes	\$ 18,087,765	\$ -	\$ -	\$ -
Other tax items	8,641,740	-	-	-
Non-property taxes	6,779,704	-	-	-
Departmental income	3,894,896	102,022	35,087	(137,109)
Charges for services	55,330	-	-	-
Use of money and property	348,402	171,252	113,334	-
Licenses and permits	857,331	-	-	-
Fines and forfeitures	746,272	-	-	-
Sale of property and compensation for loss	7,781	-	-	-
State aid	3,271,941	-	-	-
Federal aid	597,275	-	-	-
Miscellaneous	180,771	-	-	-
Total Revenues	43,469,208	273,274	148,421	(137,109)
EXPENDITURES				
Current				
General government support	4,879,243	-	-	-
Public safety	12,698,832	226,423	-	(102,022)
Health	150,458	-	17,461	(35,087)
Transportation	2,046,194	-	-	-
Economic opportunity and development	529,954	-	-	-
Culture and recreation	2,606,256	-	-	-
Home and community services	2,391,868	-	-	-
Employee benefits	11,269,440	-	-	-
Debt service				
Principal	2,776,465	-	-	-
Interest	846,460	-	-	-
Total Expenditures	40,195,170	226,423	17,461	(137,109)
Excess (Deficiency) of Revenues Over Expenditures	3,274,038	46,851	130,960	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	94,535	-	-	-
Transfers in	687,459	-	-	-
Transfers out	(500,000)	-	-	-
Total Other Financing Sources (Uses)	281,994	-	-	-
Net Change in Fund Balances	3,556,032	46,851	130,960	-
FUND BALANCES				
Beginning of Year, as restated	14,421,421	2,733,258	833,414	-
End of Year	\$ 17,977,453	\$ 2,780,109	\$ 964,374	\$ -

See independent auditors' report.

Totals	
2021	2020
\$ 18,087,765	\$ 16,815,916
8,641,740	7,983,323
6,779,704	5,737,077
3,894,896	3,524,077
55,330	147,431
632,988	735,694
857,331	825,182
746,272	467,634
7,781	2,251
3,271,941	2,781,085
597,275	272,782
180,771	226,324
<u>43,753,794</u>	<u>39,518,776</u>
4,879,243	4,440,270
12,823,233	13,265,533
132,832	401,674
2,046,194	2,101,841
529,954	528,741
2,606,256	1,956,509
2,391,868	2,336,690
11,269,440	10,513,064
2,776,465	2,609,819
846,460	882,575
<u>40,301,945</u>	<u>39,036,716</u>
<u>3,451,849</u>	<u>482,060</u>
94,535	141,333
687,459	658,000
(500,000)	-
<u>281,994</u>	<u>799,333</u>
3,733,843	1,281,393
<u>17,988,093</u>	<u>16,706,700</u>
<u>\$ 21,721,936</u>	<u>\$ 17,988,093</u>

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City of Peekskill, New York

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

	2021	2020
ASSETS		
Cash and equivalents	\$ 17,118,996	\$ 13,764,308
Taxes receivable		
City taxes	709,520	683,714
County taxes	303,094	275,055
Delinquent school districts taxes	873,031	844,849
Installment agreements	49,279	145,912
	1,934,924	1,949,530
Allowance for uncollectible taxes	(82,774)	(6,390)
	1,852,150	1,943,140
Other receivables		
Accounts	356,279	397,900
State and Federal aid	1,651,027	1,930,713
Due from other governments	1,063,918	813,861
Due from other funds	1,787,355	1,784,920
Due from fiduciary fund	-	53,085
	4,858,579	4,980,479
Prepaid expenditures	1,227,320	1,134,582
Total Assets	<u>\$ 25,057,045</u>	<u>\$ 21,822,509</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 318,466	\$ 666,769
Accrued liabilities	640,340	578,865
Due to other governments	-	54,656
Due to fiduciary fund	1,654,387	-
Deposits payable	1,275,470	1,020,031
Employee payroll deductions	342,117	371,708
Tax anticipation note payable	-	3,000,000
Due to component unit	75,629	-
Unearned revenues	1,266,710	20,826
Total Liabilities	5,573,119	5,712,855
Deferred inflows of resources		
Deferred tax revenues	1,506,473	1,688,233
Total Liabilities and Deferred Inflows of Resources	<u>7,079,592</u>	<u>7,401,088</u>
Fund balance		
Nonspendable	1,227,320	1,134,582
Restricted	5,245,404	5,062,408
Committed	873,975	873,975
Assigned	1,709,381	2,324,918
Unassigned	8,921,373	5,025,538
Total Fund Balance	<u>17,977,453</u>	<u>14,421,421</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 25,057,045</u>	<u>\$ 21,822,509</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,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 17,945,000	\$ 17,945,000	\$ 18,087,765	\$ 142,765
Other tax items	7,920,600	7,920,600	8,641,740	721,140
Non-property taxes	5,360,000	5,360,000	6,779,704	1,419,704
Departmental income	3,877,800	3,935,093	3,894,896	(40,197)
Charges for services	180,000	180,000	55,330	(124,670)
Use of money and property	417,000	417,000	348,402	(68,598)
Licenses and permits	565,400	565,400	857,331	291,931
Fines and forfeitures	775,000	775,000	746,272	(28,728)
Sale of property and compensation for loss	21,000	21,000	7,781	(13,219)
State aid	2,373,200	2,373,200	3,271,941	898,741
Federal aid	205,000	634,239	597,275	(36,964)
Miscellaneous	132,000	132,003	180,771	48,768
Total Revenues	39,772,000	40,258,535	43,469,208	3,210,673
EXPENDITURES				
Current				
General government support	4,808,457	5,308,226	4,879,243	428,983
Public safety	13,882,461	13,022,455	12,698,832	323,623
Health	372,000	150,458	150,458	-
Transportation	2,006,600	2,068,305	2,046,194	22,111
Economic opportunity and development	453,269	551,809	529,954	21,855
Culture and recreation	2,453,963	2,979,052	2,606,256	372,796
Home and community services	2,611,113	2,781,086	2,391,868	389,218
Employee benefits	12,044,000	12,111,025	11,269,440	841,585
Debt service				
Principal	2,777,116	2,941,166	2,776,465	164,701
Interest	785,859	855,906	846,460	9,446
Total Expenditures	42,194,838	42,769,488	40,195,170	2,574,318
Excess (Deficiency) of Revenues Over Expenditures	(2,422,838)	(2,510,953)	3,274,038	5,784,991
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	50,000	50,000	94,535	44,535
Transfers in	718,000	718,000	687,459	(30,541)
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	268,000	268,000	281,994	13,994
Net Change in Fund Balance	(2,154,838)	(2,242,953)	3,556,032	5,798,985
FUND BALANCE				
Beginning of Year, as restated	2,154,838	2,242,953	14,421,421	12,178,468
End of Year	\$ -	\$ -	\$ 17,977,453	\$ 17,977,453

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 17,260,000	\$ 17,260,000	\$ 16,815,916	\$ (444,084)
7,855,635	7,855,635	7,983,323	127,688
5,360,000	5,360,000	5,737,077	377,077
4,382,365	4,434,431	3,524,077	(910,354)
230,000	230,000	147,431	(82,569)
357,500	357,500	379,341	21,841
553,500	553,500	825,182	271,682
1,100,000	1,100,000	467,634	(632,366)
30,000	30,000	2,251	(27,749)
2,817,000	2,817,000	2,781,085	(35,915)
205,000	630,768	272,782	(357,986)
134,000	134,000	226,324	92,324
40,285,000	40,762,834	39,162,423	(1,600,411)
4,821,708	4,527,057	4,440,270	86,787
13,545,635	13,132,807	13,147,918	(15,111)
372,000	372,000	391,595	(19,595)
2,525,824	2,660,978	2,101,841	559,137
559,296	601,069	528,741	72,328
2,605,745	2,530,300	1,956,509	573,791
2,503,106	2,555,155	2,336,690	218,465
11,322,000	11,335,955	10,513,064	822,891
2,700,405	2,724,087	2,609,819	114,268
878,521	913,963	882,575	31,388
41,834,240	41,353,371	38,909,022	2,444,349
(1,549,240)	(590,537)	253,401	843,938
50,000	50,000	141,333	91,333
798,000	798,000	658,000	(140,000)
(900,000)	(900,000)	-	900,000
(52,000)	(52,000)	799,333	851,333
(1,601,240)	(642,537)	1,052,734	1,695,271
1,601,240	642,537	13,368,687	12,726,150
\$ -	\$ -	\$ 14,421,421	\$ 14,421,421

City of Peekskill, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund
Year Ended December 31, 2021
(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
REAL PROPERTY TAXES	\$ 17,945,000	\$ 17,945,000	\$ 18,087,765	\$ 142,765	\$ 16,815,916
OTHER TAX ITEMS					
Interest and penalties on real property taxes	405,000	405,000	412,973	7,973	248,033
Gain on sale of tax acquired property	300,000	300,000	162,500	(137,500)	-
Payments in lieu of taxes	6,715,600	6,715,600	6,834,420	118,820	6,677,161
Real estate transfer tax	500,000	500,000	1,231,847	731,847	1,058,129
	7,920,600	7,920,600	8,641,740	721,140	7,983,323
NON-PROPERTY TAXES					
Non-property tax distribution from County	4,600,000	4,600,000	5,868,293	1,268,293	4,888,510
Utilities gross receipts taxes	300,000	300,000	324,656	24,656	295,903
Hotel tax	160,000	160,000	201,588	41,588	153,298
Cable television franchise fees	300,000	300,000	385,167	85,167	399,366
	5,360,000	5,360,000	6,779,704	1,419,704	5,737,077
DEPARTMENTAL INCOME					
Charges for tax advertising	1,000	1,000	8,398	7,398	750
Comptroller's fees	50,000	50,000	99,696	49,696	72,362
Assessor's fees	500	500	212	(288)	50
City Clerk fees	6,500	6,500	2,404	(4,096)	4,062
Police fees	53,100	53,100	51,256	(1,844)	50,022
Vital statistics	9,000	9,000	7,994	(1,006)	8,766
Ambulance charges	80,000	80,000	76,913	(3,087)	81,834
Public Works fees	28,000	28,000	18,444	(9,556)	21,811
Parking lots and garages	811,500	811,500	741,778	(69,722)	699,910
Parks and recreation charges	292,000	292,000	204,500	(87,500)	31,319
Concessions and rentals	33,200	33,200	30,325	(2,875)	43,896
Pool and marina charges	106,000	106,000	70,440	(35,560)	24,951
Other recreation income	22,000	22,000	25,055	3,055	1,535

Zoning and Planning Board fees	38,000	38,000	138,000	100,000	58,810
Sale of electric power	1,885,000	1,885,000	1,885,000	-	1,885,000
Dumpster fees	320,000	320,000	315,021	(4,979)	321,883
Recycling fees	110,000	110,000	110,000	-	120,000
Participant's contributions - Nutrition programs	10,000	10,000	22,657	12,657	64,140
Youth programs - Westchester County L.I.F.T. grant	-	57,293	57,356	63	18,384
Youth programs - various	-	-	11,011	11,011	-
Other departmental income	22,000	22,000	18,436	(3,564)	14,592
	<u>3,877,800</u>	<u>3,935,093</u>	<u>3,894,896</u>	<u>(40,197)</u>	<u>3,524,077</u>
CHARGES FOR SERVICES					
County prisoner transportation	150,000	150,000	6,951	(143,049)	100,000
Snow removal	30,000	30,000	48,379	18,379	47,431
	<u>180,000</u>	<u>180,000</u>	<u>55,330</u>	<u>(124,670)</u>	<u>147,431</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	30,000	30,000	22,568	(7,432)	50,985
Rentals of real property	387,000	387,000	325,834	(61,166)	328,356
	<u>417,000</u>	<u>417,000</u>	<u>348,402</u>	<u>(68,598)</u>	<u>379,341</u>
LICENSES AND PERMITS					
Business and occupational licenses	45,000	45,000	42,485	(2,515)	39,525
Bingo licenses	400	400	1,450	1,050	-
Dog licenses and apportionment	2,500	2,500	3,234	734	3,306
Marriage licenses	3,000	3,000	4,758	1,758	4,666
Other licenses	500	500	15	(485)	-
Public safety permits	4,000	4,000	5,590	1,590	5,785
Building permits	300,000	300,000	455,631	155,631	486,951
Street opening permits	20,000	20,000	58,126	38,126	53,433
Plumbing permits	45,000	45,000	106,997	61,997	70,443
Other permits	145,000	145,000	179,045	34,045	161,073
	<u>565,400</u>	<u>565,400</u>	<u>857,331</u>	<u>291,931</u>	<u>825,182</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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
FINES AND FORFEITURES	\$ 775,000	\$ 775,000	\$ 746,272	\$ (28,728)	\$ 467,634
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	21,000	21,000	7,781	(13,219)	2,251
STATE AID					
Mortgage tax	500,000	500,000	830,956	330,956	566,046
Court facilities aid	93,000	93,000	97,546	4,546	102,912
Per capita	1,775,200	1,775,200	2,330,353	555,153	2,108,415
Public safety grants	5,000	5,000	13,086	8,086	3,712
	2,373,200	2,373,200	3,271,941	898,741	2,781,085
FEDERAL AID					
Mental Health	-	-	-	-	0
Workforce Investment Act	25,000	454,239	274,522	(179,717)	113,430
Nutrition for the Elderly - Title IIIC	180,000	180,000	322,753	142,753	159,352
	205,000	634,239	597,275	(36,964)	272,782
MISCELLANEOUS					
Gifts and donations	-	-	600	600	300
Police overtime reimbursement	100,000	100,000	94,103	(5,897)	140,594
Other	32,000	32,003	86,068	54,065	85,430
	132,000	132,003	180,771	48,768	226,324
TOTAL REVENUES	39,772,000	40,258,535	43,469,208	3,210,673	39,162,423

OTHER FINANCING SOURCES

Insurance recoveries	<u>50,000</u>	<u>50,000</u>	<u>94,535</u>	<u>44,535</u>	<u>141,333</u>
Transfers in					
Water Fund	620,000	620,000	260,000	(360,000)	255,000
Sewer Fund	-	-	310,000	310,000	305,000
Recreation Fund	-	-	19,459	19,459	-
Community Development Fund	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	<u>-</u>	<u>98,000</u>
	<u>718,000</u>	<u>718,000</u>	<u>687,459</u>	<u>(30,541)</u>	<u>658,000</u>
TOTAL OTHER FINANCING SOURCES	<u>768,000</u>	<u>768,000</u>	<u>781,994</u>	<u>13,994</u>	<u>799,333</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 40,540,000</u></u>	<u><u>\$ 41,026,535</u></u>	<u><u>\$ 44,251,202</u></u>	<u><u>\$ 3,224,667</u></u>	<u><u>\$ 39,961,756</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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
GENERAL GOVERNMENT SUPPORT					
Common Council	\$ 79,072	\$ 79,459	\$ 79,257	\$ 202	\$ 79,617
Unified Court	76,961	71,159	71,147	12	76,745
Mayor	20,724	19,733	19,568	165	20,744
City Manager	263,850	276,495	276,225	270	329,118
Comptroller	605,687	564,498	564,258	240	640,625
Assessment	289,551	293,146	274,028	19,118	291,626
Tax Review Board	2,100	2,100	2,000	100	1,600
Expenses on property acquired for taxes	10,000	-	-	-	-
City Clerk	270,858	301,392	299,674	1,718	363,117
Law	429,700	458,903	455,956	2,947	380,569
Personnel	201,900	204,977	204,542	435	192,147
Elections	41,525	80,240	80,198	42	1,680
Parking Violations Bureau	83,000	98,516	98,519	(3)	72,207
Public Works administration	333,886	331,681	330,382	1,299	306,397
Building maintenance	632,715	714,547	692,456	22,091	620,415
Central data processing	296,428	230,531	222,715	7,816	219,946
Central printing and mailing	40,000	11,600	11,549	51	32,249
Special items					
Unallocated insurance	465,000	856,125	856,125	-	405,076
Municipal association dues	6,500	12,478	12,478	-	-
Judgments and claims	250,000	452,381	82,380	370,001	225,616
Taxes on City property	85,000	80	79	1	25,165
Metropolitan transportation and mobility tax	64,000	64,000	61,522	2,478	61,501
Miscellaneous services	100,000	184,185	184,185	-	94,110
Contingency	160,000	-	-	-	-
	<u>4,808,457</u>	<u>5,308,226</u>	<u>4,879,243</u>	<u>428,983</u>	<u>4,440,270</u>

PUBLIC SAFETY

Police Department	9,031,804	8,169,347	7,925,129	244,218	8,170,505
Traffic control	99,227	95,727	95,240	487	95,907
Fire Department	3,900,336	3,992,988	3,916,255	76,733	4,040,358
Control of animals	129,447	115,659	115,026	633	112,248
Building and plumbing	545,745	502,161	500,620	1,541	576,097
Civil defense	175,902	146,573	146,562	11	152,803
	<u>13,882,461</u>	<u>13,022,455</u>	<u>12,698,832</u>	<u>323,623</u>	<u>13,147,918</u>

HEALTH

Ambulance	<u>372,000</u>	<u>150,458</u>	<u>150,458</u>	<u>-</u>	<u>391,595</u>
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TRANSPORTATION

Street maintenance	941,574	1,019,986	1,014,967	5,019	1,189,232
Central garage	306,562	304,908	304,220	688	280,518
Snow removal	307,000	234,828	233,152	1,676	132,136
Street lighting	265,500	311,413	311,413	-	322,691
Off-street parking	185,964	197,170	182,442	14,728	177,264
	<u>2,006,600</u>	<u>2,068,305</u>	<u>2,046,194</u>	<u>22,111</u>	<u>2,101,841</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Youth Board - Job training	-	81,921	81,921	-	37,832
Nutrition program for the elderly	453,269	469,888	448,033	21,855	490,909
	<u>453,269</u>	<u>551,809</u>	<u>529,954</u>	<u>21,855</u>	<u>528,741</u>

CULTURE AND RECREATION

Recreation administration	280,980	296,515	294,561	1,954	337,088
Parks maintenance	791,914	708,534	707,212	1,322	545,083
Playgrounds	382,200	336,469	274,775	61,694	48,630
Kiley sports program	253,506	254,763	202,776	51,987	181,927
Youth bureau	217,620	724,437	528,941	195,496	451,276
Summer recreation programs	91,466	93,759	91,467	2,292	79,189
Pool	151,265	170,835	142,896	27,939	16,220
Marina	15,100	15,100	9,755	5,345	11,907
Riverfront programs	11,000	11,000	6,808	4,192	834

(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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
CULTURE AND RECREATION (Continued)					
Civic theatres	\$ 60,000	\$ 108,015	\$ 103,542	\$ 4,473	\$ 89,269
Celebrations	2,500	3,789	3,789	-	3,244
Senior citizen club	146,412	205,836	195,734	10,102	141,842
Norwest program	50,000	50,000	44,000	6,000	50,000
	<u>2,453,963</u>	<u>2,979,052</u>	<u>2,606,256</u>	<u>372,796</u>	<u>1,956,509</u>
HOME AND COMMUNITY SERVICES					
Refuse collection and disposal	1,696,378	1,837,267	1,549,019	288,248	1,500,764
Human Rights Commission	-	163	162	1	-
Street cleaning	93,209	96,974	94,782	2,192	88,785
Shade trees	5,000	5,000	-	5,000	-
Planning and development	816,526	834,702	740,926	93,776	734,229
Composting	-	6,980	6,979	1	12,912
	<u>2,611,113</u>	<u>2,781,086</u>	<u>2,391,868</u>	<u>389,218</u>	<u>2,336,690</u>
EMPLOYEE BENEFITS					
State retirement	1,450,000	1,450,000	1,043,170	406,830	1,032,564
Police retirement	2,800,000	2,800,000	2,557,588	242,412	2,340,698
Life, health and dental insurance	6,924,000	6,991,025	6,923,541	67,484	6,435,487
Unemployment benefits	20,000	20,000	-	20,000	-
Workers' compensation benefits	850,000	850,000	745,141	104,859	704,315
	<u>12,044,000</u>	<u>12,111,025</u>	<u>11,269,440</u>	<u>841,585</u>	<u>10,513,064</u>

DEBT SERVICE

Principal

Serial bonds

Notes

2,465,879

2,465,879

2,379,100

86,779

2,335,900

311,237

475,287

397,365

77,922

273,919

2,777,116

2,941,166

2,776,465

164,701

2,609,819

Interest

Serial bonds

Bond anticipation notes

Tax anticipation notes

Notes

766,859

766,859

698,495

68,364

758,604

19,000

19,000

-

19,000

-

-

18,750

18,750

-

-

-

51,297

129,215

(77,918)

123,971

785,859

855,906

846,460

9,446

882,575

3,562,975

3,797,072

3,622,925

174,147

3,492,394

TOTAL EXPENDITURES

42,194,838

42,769,488

40,195,170

2,574,318

38,909,022

OTHER FINANCING USES

Transfers out

Capital Projects Fund

500,000

500,000

500,000

-

-

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 42,694,838

\$ 43,269,488

\$ 40,695,170

\$ 2,574,318

\$ 38,909,022

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 2,563,175	\$ 1,165,879
State Aid receivable	50,000	426,087
Total Assets	<u>\$ 2,613,175</u>	<u>\$ 1,591,966</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ -	\$ 45,180
Retainages payable	19,775	19,775
Bond anticipation notes payable	1,850,000	-
Due to other funds	1,799,699	1,634,920
Total Liabilities	3,669,474	1,699,875
Fund deficit		
Unassigned	(1,056,299)	(107,909)
Total Liabilities and Fund Deficit	<u>\$ 2,613,175</u>	<u>\$ 1,591,966</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,

	2021	2020
REVENUES		
State aid	\$ 474,095	\$ 2,979,093
Federal aid	24,619	-
Miscellaneous	4,404,162	123,749
Total Revenues	4,902,876	3,102,842
EXPENDITURES		
Capital outlay	6,526,266	7,915,819
Deficiency of Revenues Over Expenditures	(1,623,390)	(4,812,977)
OTHER FINANCING SOURCES		
Notes issued	-	4,803,012
Transfers in	675,000	175,000
Total Other Financing Sources	675,000	4,978,012
Net Change in Fund Balance	(948,390)	165,035
FUND DEFICIT		
Beginning of Year	(107,909)	(272,944)
End of Year	\$ (1,056,299)	\$ (107,909)

See independent auditors' report.

City of Peekskill, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through December 31, 2021

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	1,642,774	1,642,774	-
City Hall - 2019 Equipment	136	683,613	859,246	(175,633)
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	290,101	36,244
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	4,237,289	(589,224)
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	329,417	329,417	-
Parks Pool Bathhouse	602	313,900	313,721	179
Louisa Street Ballfield	617	556,747	286,996	269,751
Blight Study	623-2	5,801	4,750	1,051
Downtown Redevelopment - RFP	623-3	40,196	32,045	8,151
City Hall Repairs	628	504,973	504,973	-
Neighborhood Center	628-27,30	414,440	414,440	-
Police Department Courthouse	628-32	106,510	106,510	-
Lights and Signs - Welcome Signs	634-2	30,000	4,570	25,430
Plantings	636	54,070	18,245	35,825
Central Firehouse	638	16,336,337	17,921,623	(1,585,286)
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)
Fleishchman Pier	668	386,693	244,550	142,143
Peekskill Multi Use Trail	669	2,088,979	2,217,005	(128,026)
Sewer Maintenance	670	1,100,000	-	1,100,000
Zombie Grant	672	100,000	69,937	30,063
Oakwood Drive Reconstruction	673	1,987,344	628,015	1,359,329
Parking Analysis	674	46,492	46,492	-
Louisa Street CDBG	675	774,650	857,174	(82,524)
Microenterprise Assistant Program	678	224,618	224,618	-
Clean Water Grant	679	50,000	125,000	(75,000)
Vehicle Charging Stations	680	27,900	29,332	(1,432)
1847 Crompond Road	681	2,125,838	2,023,562	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	39,345	90,250	(50,905)
Bond Issuance Costs	BOND	832,080	803,858	28,222
2020 Energy Performance (Honeywell)		4,479,950	4,479,950	-
2019 Vehicles Capital Lease		323,062	323,062	-
NRI Grant Project	688	25,000	-	25,000
645 Main Street	689	4,404,162	4,404,162	-
4 Nelson Ave Roof Replacement	693	-	456,784	(456,784)
Totals		\$ 73,439,883	\$ 71,952,384	\$ 1,487,499

See independent auditors' report.

Revenues	Fund Balance (Deficit) At December 31, 2021	Notes Outstanding at December 31, 2021
\$ 1,732,196	\$ -	\$ -
1,593,080	(49,694)	-
683,613	(175,633)	-
57,500	10,480	-
1,869,782	125,024	-
250,000	168,675	-
23,000	23,000	-
643,007	-	-
940,657	-	-
326,345	36,244	-
10,778	-	-
2,136	-	-
3,673,064	(564,225)	-
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)	-
329,417	-	-
313,900	179	-
556,747	269,751	-
5,801	1,051	-
40,196	8,151	-
504,973	-	-
414,440	-	-
106,510	-	-
30,000	25,430	-
54,070	35,825	-
16,336,337	(1,585,286)	-
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)	-
1,250,000	1,250,000	-
100,000	30,063	-
137,344	(490,671)	1,850,000
46,492	-	-
774,650	(82,524)	-
224,618	-	-
100,000	(25,000)	-
27,900	(1,432)	-
2,125,839	102,277	-
116,338	13,755	-
-	(27,275)	-
25,000	25,000	-
27,000	(63,250)	-
832,081	28,223	-
4,479,950	-	-
323,062	-	-
25,000	25,000	-
4,404,162	-	-
-	(456,784)	-
<u>\$ 70,896,085</u>	<u>\$ (1,056,299)</u>	<u>\$ 1,850,000</u>

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City of Peekskill, New York

Water Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 4,194,070	\$ 2,350,811
Water rents receivable	2,043,043	2,522,847
Prepaid expenditures	100,743	96,955
Inventories	174,460	210,467
Total Assets	<u>\$ 6,512,316</u>	<u>\$ 5,181,080</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 69,864	\$ 39,704
Accrued liabilities	50,612	33,087
Total Liabilities	<u>120,476</u>	<u>72,791</u>
Fund balance		
Nonspendable	275,203	307,422
Assigned	6,116,637	4,800,867
Total Fund Balance	<u>6,391,840</u>	<u>5,108,289</u>
Total Liabilities and Fund Balance	<u>\$ 6,512,316</u>	<u>\$ 5,181,080</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,**

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 7,730,000	\$ 7,730,000	\$ 7,920,278	\$ 190,278
Miscellaneous	40,000	40,000	25,176	(14,824)
Total Revenues	7,770,000	7,770,000	7,945,454	175,454
EXPENDITURES				
Current				
Home and community services	4,866,063	4,906,759	3,891,568	1,015,191
Debt service				
Principal	2,090,000	2,090,000	2,090,000	-
Interest	553,937	553,937	420,335	133,602
Total Expenditures	7,510,000	7,550,696	6,401,903	1,148,793
Excess of Revenues Over Expenditures	260,000	219,304	1,543,551	1,324,247
OTHER FINANCING USES				
Transfers out	(260,000)	(260,000)	(260,000)	-
Net Change in Fund Balance	-	(40,696)	1,283,551	1,324,247
FUND BALANCE				
Beginning of Year	-	40,696	5,108,289	5,067,593
End of Year	\$ -	\$ -	\$ 6,391,840	\$ 6,391,840

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 7,698,000 16,000	\$ 7,698,000 16,000	\$ 8,628,684 63,823	\$ 930,684 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
2,035,000 683,549	2,035,000 683,549	2,035,000 474,995	- 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
-	(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 YorkSection 8 Housing Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	<u>\$ 241,418</u>	<u>\$ 843,593</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,823	\$ 693
Accrued liabilities	20,684	12,081
Deferred revenue	<u>47,999</u>	<u>287,309</u>
Total Liabilities	73,506	300,083
Fund balance		
Restricted	<u>167,912</u>	<u>543,510</u>
Total Liabilities and Fund Balance	<u>\$ 241,418</u>	<u>\$ 843,593</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,

	2021	2020
REVENUES		
Federal aid	\$ 7,656,342	\$ 8,219,721
Miscellaneous	13,961	14,952
Total Revenues	7,670,303	8,234,673
EXPENDITURES		
Current		
Home and community services	8,045,901	7,780,304
Excess (Deficiency) of Revenues Over Expenditures	(375,598)	454,369
FUND BALANCE		
Beginning of Year	543,510	89,141
End of Year	\$ 167,912	\$ 543,510

See independent auditors' report.

City of Peekskill, New York

Community Development Funds
Combining Balance Sheet - Sub-Funds
December 31, 2021
(With Comparative Totals for 2020)

	Community Development	Urban County Consortium	Totals	
			2021	2020
ASSETS				
Cash and equivalents	\$ 1,887,484	\$ 3,831	\$ 1,891,315	\$ 1,874,167
Accounts receivable	-	-	-	3,258
Loans receivable	822,043	-	822,043	899,092
Total Assets	<u>\$ 2,709,527</u>	<u>\$ 3,831</u>	<u>\$ 2,713,358</u>	<u>\$ 2,776,517</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 822,043	\$ -	\$ 822,043	\$ 899,092
Fund balances				
Restricted	1,887,484	3,831	1,891,315	1,877,425
Total Liabilities and Fund Balances	<u>\$ 2,709,527</u>	<u>\$ 3,831</u>	<u>\$ 2,713,358</u>	<u>\$ 2,776,517</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, 2021
(With Comparative Totals for 2020)

	Community Development	Urban County Consortium	Totals	
			2021	2020
REVENUES				
Use of money and property	\$ 34,833	\$ 8	\$ 34,841	\$ 15,737
Miscellaneous	77,049	-	77,049	25,271
Total Revenues	111,882	8	111,890	41,008
EXPENDITURES	-	-	-	-
Excess of Revenues Over Expenditures	111,882	8	111,890	41,008
OTHER FINANCING USES				
Transfers out	(98,000)	-	(98,000)	(98,000)
Net Change in Fund Balances	13,882	8	13,890	(56,992)
FUND BALANCES				
Beginning of Year	1,873,602	3,823	1,877,425	1,934,417
End of Year	<u>\$ 1,887,484</u>	<u>\$ 3,831</u>	<u>\$ 1,891,315</u>	<u>\$ 1,877,425</u>

See independent auditors' report.

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NON-MAJOR GOVERNMENTAL FUNDS

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

City of Peekskill, New York

Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2021
(With Comparative Totals for 2020)

	Sewer	Recreation	Special Purpose
ASSETS			
Cash and equivalents	\$ 2,099,635	\$ 1,154,012	\$ 78,327
Receivables			
Sewer rents	446,306	-	-
Due from other funds	12,344	-	-
	458,650	-	-
Prepaid expenditures	60,120	-	-
Total Assets	<u>\$ 2,618,405</u>	<u>\$ 1,154,012</u>	<u>\$ 78,327</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 11,428	\$ -	\$ -
Accrued liabilities	7,789	-	-
Due to other funds	-	-	-
Total Liabilities	<u>19,217</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	60,120	-	-
Restricted	-	-	78,327
Committed	12,344	1,154,012	-
Assigned	2,526,724	-	-
Total Fund Balances	<u>2,599,188</u>	<u>1,154,012</u>	<u>78,327</u>
Total Liabilities and Fund Balances	<u>\$ 2,618,405</u>	<u>\$ 1,154,012</u>	<u>\$ 78,327</u>

See independent auditors' report.

	Total Non-Major Governmental Funds	
Permanent	2021	2020
\$ 102,343	\$ 3,434,317	\$ 3,187,112
-	446,306	463,777
-	12,344	-
-	458,650	463,777
-	60,120	58,641
\$ 102,343	\$ 3,953,087	\$ 3,709,530
\$ -	\$ 11,428	\$ 5,202
-	7,789	6,355
-	-	150,000
-	19,217	161,557
100,000	160,120	158,641
2,343	80,670	70,915
-	1,166,356	1,045,366
-	2,526,724	2,273,051
102,343	3,933,870	3,547,973
\$ 102,343	\$ 3,953,087	\$ 3,709,530

City of Peekskill, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended December 31, 2021

(With Comparative Totals for 2020)

	Sewer	Recreation	Special Purpose
REVENUES			
Departmental income	\$ 1,606,506	\$ 153,099	\$ -
Use of money and property	-	6	-
Miscellaneous	-	-	20,277
Total Revenues	1,606,506	153,105	20,277
EXPENDITURES			
Current			
Culture and recreation	-	-	10,531
Home and community services	730,136	-	-
Debt service			
Principal	130,900	-	-
Interest	17,974	-	-
Total Expenditures	879,010	-	10,531
Excess of Revenues Over Expenditures	727,496	153,105	9,746
OTHER FINANCING USES			
Transfers out	(460,000)	(44,459)	-
Net Change in Fund Balances	267,496	108,646	9,746
FUND BALANCES			
Beginning of Year	2,331,692	1,045,366	68,581
End of Year	\$ 2,599,188	\$ 1,154,012	\$ 78,327

See independent auditors' report.

		Total Non-Major Governmental Funds	
Permanent		2021	2020
\$	-	\$ 1,759,605	\$ 1,835,252
	9	15	74
	-	20,277	6,150
	9	1,779,897	1,841,476
	-	10,531	2,165
	-	730,136	736,121
	-	130,900	124,100
	-	17,974	11,110
	-	889,541	873,496
	9	890,356	967,980
	-	(504,459)	(480,000)
	9	385,897	487,980
	102,334	3,547,973	3,059,993
\$	102,343	\$ 3,933,870	\$ 3,547,973

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City of Peekskill, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 2,099,635	\$ 1,970,831
Receivables		
Sewer rents receivables	446,306	463,777
Due from other funds	12,344	-
	458,650	463,777
Prepaid expenditures	60,120	58,641
Total Assets	\$ 2,618,405	\$ 2,493,249
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 11,428	\$ 5,202
Accrued liabilities	7,789	6,355
Due to other funds	-	150,000
Total Liabilities	19,217	161,557
Fund balance		
Nonspendable	60,120	58,641
Committed	12,344	-
Assigned	2,526,724	2,273,051
Total Fund Balance	2,599,188	2,331,692
Total Liabilities and Fund Balance	\$ 2,618,405	\$ 2,493,249

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,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 1,726,000	\$ 1,726,000	\$ 1,606,506	\$ (119,494)
EXPENDITURES				
Current				
Home and community services	1,148,371	1,138,793	730,136	408,657
Debt service				
Principal	130,900	130,900	130,900	-
Interest	8,396	17,974	17,974	-
Total Expenditures	1,287,667	1,287,667	879,010	408,657
Excess of Revenues Over Expenditures	438,333	438,333	727,496	289,163
OTHER FINANCING USES				
Transfers out	(460,000)	(460,000)	(460,000)	-
Net Change in Fund Balance	(21,667)	(21,667)	267,496	289,163
FUND BALANCE				
Beginning of Year	21,667	21,667	2,331,692	2,310,025
End of Year	\$ -	\$ -	\$ 2,599,188	\$ 2,599,188

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
<u>\$ 1,695,000</u>	<u>\$ 1,695,000</u>	<u>\$ 1,603,252</u>	<u>\$ (91,748)</u>
1,100,646	1,100,646	736,121	364,525
124,100	124,100	124,100	-
<u>11,110</u>	<u>11,110</u>	<u>11,110</u>	<u>-</u>
<u>1,235,856</u>	<u>1,235,856</u>	<u>871,331</u>	<u>364,525</u>
459,144	459,144	731,921	272,777
<u>(460,000)</u>	<u>(460,000)</u>	<u>(455,000)</u>	<u>5,000</u>
(856)	(856)	276,921	277,777
<u>856</u>	<u>856</u>	<u>2,054,771</u>	<u>2,053,915</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,331,692</u>	<u>\$ 2,331,692</u>

City of Peekskill, New York

Recreation Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 1,154,012</u>	<u>\$ 1,045,366</u>
FUND BALANCE		
Committed	<u>\$ 1,154,012</u>	<u>\$ 1,045,366</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,

	2021	2020
REVENUES		
Departmental income	\$ 153,099	\$ 232,000
Use of money and property	6	10
Total Revenues	153,105	232,010
EXPENDITURES	-	-
Excess of Revenues Over Expenditures	153,105	232,010
OTHER FINANCING USES		
Transfers out	(44,459)	(25,000)
Net Change in Fund Balance	108,646	207,010
FUND BALANCE		
Beginning of Year	1,045,366	838,356
End of Year	\$ 1,154,012	\$ 1,045,366

See independent auditors' report.

City of Peekskill, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 78,327</u>	<u>\$ 68,581</u>
FUND BALANCE		
Restricted	<u>\$ 78,327</u>	<u>\$ 68,581</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>2021</u>	<u>2020</u>
REVENUES		
Miscellaneous	\$ 20,277	\$ 6,150
EXPENDITURES		
Current		
Culture and recreation	<u>10,531</u>	<u>2,165</u>
Excess of Revenues Over Expenditures	9,746	3,985
FUND BALANCE		
Beginning of Year	<u>68,581</u>	<u>64,596</u>
End of Year	<u><u>\$ 78,327</u></u>	<u><u>\$ 68,581</u></u>

See independent auditors' report.

City of Peekskill, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 102,343</u>	<u>\$ 102,334</u>
FUND BALANCE		
Nonspendable	\$ 100,000	\$ 100,000
Restricted	<u>2,343</u>	<u>2,334</u>
Total Fund Balance	<u>\$ 102,343</u>	<u>\$ 102,334</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>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 9	\$ 64
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	9	64
FUND BALANCE		
Beginning of Year	<u>102,334</u>	<u>102,270</u>
End of Year	<u><u>\$ 102,343</u></u>	<u><u>\$ 102,334</u></u>

See independent auditors' report.

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STATISTICAL SECTION
(UNAUDITED)

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Financial Trends

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

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

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City of Peekskill, New York

Net Position by Component
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 23,747,284	\$ 26,472,465	\$ 33,093,116	\$ 39,962,538	\$ 40,538,429	\$ 39,200,050	\$ 51,480,424	\$ 59,435,215	\$ 65,444,898	\$ 64,159,500
Restricted	11,663,272	9,870,336	10,388,723	8,960,394	11,808,737	12,084,931	12,563,409	9,869,540	10,110,497	11,713,459
Unrestricted	<u>(14,225,278)</u>	<u>(19,108,958)</u>	<u>(24,047,541)</u>	<u>(17,426,533)</u>	<u>(15,856,956)</u>	<u>(18,342,178)</u>	<u>(155,517,882)</u>	<u>(157,133,334)</u>	<u>(162,157,970)</u>	<u>(160,566,964)</u>
Total Governmental Activities										
Net Position	<u>\$ 21,185,278</u>	<u>\$ 17,233,843</u>	<u>\$ 19,434,298</u>	<u>\$ 31,496,399</u>	<u>\$ 36,490,210</u>	<u>\$ 32,942,803</u>	<u>\$ (91,474,049)</u>	<u>\$ (87,828,579)</u>	<u>\$ (86,602,575)</u>	<u>\$ (84,694,005)</u>

City of Peekskill, New York

Changes In Net Position
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Government activities										
General government support	\$ 6,292,403	\$ 7,856,347	\$ 6,062,692	\$ 5,140,331	\$ 6,002,382	\$ 7,310,424	\$ 6,489,230	\$ 6,766,349	\$ 8,648,381	\$ 8,146,513
Public safety	19,232,215	18,202,444	18,292,112	16,733,521	18,784,621	21,404,266	21,920,857	22,530,130	25,796,761	21,403,051
Health	264,979	209,327	252,607	225,287	141,690	209,569	372,518	383,494	479,063	232,352
Transportation	3,953,086	3,182,830	3,205,170	3,275,094	3,623,895	3,773,902	4,398,478	4,273,190	3,806,577	3,151,639
Economic opportunity and development	629,777	598,444	511,833	506,821	509,346	502,648	621,237	654,484	581,409	575,968
Culture and recreation	4,614,755	3,791,401	4,167,688	3,660,152	4,051,246	5,170,211	4,003,911	4,568,707	3,537,636	4,043,614
Home and community services	17,174,960	15,666,450	15,456,148	15,989,104	16,993,080	16,038,191	16,107,984	17,409,147	16,501,997	18,455,576
Interest	1,946,318	1,986,412	2,048,315	1,763,417	1,620,308	1,669,286	1,626,388	1,458,583	1,471,332	1,360,855
Total Governmental Activities Expenses	54,108,493	51,493,655	49,996,565	47,293,727	51,726,568	56,078,497	55,540,603	58,044,084	60,823,156	57,369,568
PROGRAM REVENUES										
Charges for Services										
General government support	573,704	553,420	578,462	775,078	574,543	622,453	2,625,479	2,431,620	2,466,245	2,519,040
Public safety	847,964	861,232	952,023	978,547	1,874,969	1,882,298	1,332,334	1,368,075	769,780	866,442
Health	-	36,907	6,334	14,425	31,912	102,334	11,918	116,990	81,834	76,913
Transportation	1,065,133	968,734	951,587	1,004,950	1,226,441	1,218,229	1,259,735	1,229,661	753,343	799,904
Economic opportunity and development	-	-	-	-	-	-	134,526	124,246	103,665	65,142
Culture and recreation	420,920	462,710	431,161	432,777	466,175	463,799	1,294,312	620,311	360,057	561,228
Home and community services	10,807,097	8,376,435	9,992,915	10,293,121	10,518,265	10,824,586	9,492,715	9,604,945	11,311,834	10,670,877
Operating Grants and Contributions	8,941,043	8,154,088	7,099,885	7,924,609	7,341,583	7,774,164	7,669,366	9,288,103	9,197,110	8,837,808
Capital Grants and Contributions	372,919	550,326	3,442,307	7,184,087	1,831,080	1,768,803	1,760,746	2,844,445	3,102,842	4,902,876
Total Program Revenues	23,028,780	19,963,852	23,454,674	28,607,594	23,864,968	24,656,666	25,581,131	27,628,396	28,146,710	29,300,230
Governmental Activities Net Expense	(31,079,713)	(31,529,803)	(26,541,891)	(18,686,133)	(27,861,600)	(31,421,831)	(29,959,472)	(30,415,688)	(32,676,446)	(28,069,338)
GENERAL REVENUES										
Real property taxes	14,128,658	14,676,951	14,764,723	15,221,101	15,929,281	16,188,524	16,800,462	17,076,412	17,227,590	18,846,022
Other tax items										
Interest and penalties on real property taxes	546,492	298,658	321,244	881,081	343,896	418,474	354,854	424,781	248,033	412,973
Gain on sale of tax acquired property	900	-	312,227	63,240	-	679,200	571,355	591,185	-	162,500
Payments in lieu of taxes	5,460,776	5,411,748	5,672,087	5,657,336	5,832,758	6,056,752	6,236,721	6,446,712	6,677,161	6,834,420
Real estate transfer tax	518,233	510,277	593,583	1,389,828	964,177	1,308,940	1,450,932	1,431,376	1,058,129	1,231,847
Non-property taxes	3,707,160	3,953,649	4,163,848	4,156,767	4,221,507	4,223,139	4,656,721	5,046,559	5,737,077	6,779,704
Unrestricted Use of Money and Property	3,726	4,023	4,286	3,436	3,650	8,556	29,080	82,982	50,985	22,568
Sale of property and compensation for loss	16,458	28,238	28,130	65,656	30,173	12,903	25,469	72,229	2,251	7,781
Unrestricted State aid	2,527,137	2,556,653	2,486,837	2,629,272	2,571,742	2,614,060	2,731,477	2,798,015	2,674,461	3,161,309
Miscellaneous	103,378	34,405	180,357	300,781	107,105	279,221	83,308	36,042	85,430	86,068
Insurance recoveries	192,499	103,766	215,024	193,316	197,548	74,516	130,608	54,865	141,333	94,535
Total General Revenue	27,205,417	27,578,368	28,742,346	30,561,814	30,201,837	31,864,285	33,070,987	34,061,158	33,902,450	37,639,727
Change in Net Position	\$ (3,874,296)	\$ (3,951,435)	\$ 2,200,455	\$ 11,875,681	\$ 2,340,237	\$ 442,454	\$ 3,111,515	\$ 3,645,470	\$ 1,226,004	\$ 9,570,389

City of Peekskill, New York

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 1,691,825	\$ 2,100,922	\$ 2,078,498	\$ 1,634,045	\$ 1,309,354	\$ 1,663,303	\$ 1,535,350	\$ 1,358,529	\$ 1,593,723	\$ 1,227,320
Restricted	2,310,128	3,096,163	3,115,738	3,098,483	6,882,176	8,410,442	8,609,430	8,376,139	8,629,080	8,989,887
Committed	973,975	937,975	937,975	1,783,975	2,783,975	873,975	873,975	873,975	873,975	873,975
Assigned	2,213,264	261,911	705,097	969,224	533,141	1,669,275	1,954,746	1,871,935	2,324,918	1,709,381
Unassigned	7,556	803,192	496,988	1,590,953	2,625,782	2,826,512	3,339,464	4,802,441	5,512,804	8,921,373
Total General Fund	<u>\$ 7,196,748</u>	<u>\$ 7,200,163</u>	<u>\$ 7,334,296</u>	<u>\$ 9,076,680</u>	<u>\$ 14,134,428</u>	<u>\$ 15,443,507</u>	<u>\$ 16,312,965</u>	<u>\$ 17,283,019</u>	<u>\$ 18,934,500</u>	<u>\$ 21,721,936</u>
All Other Governmental Funds										
Nonspendable	207,192	181,930	184,321	232,374	193,809	342,978	434,660	488,466	466,063	435,323
Restricted	8,927,043	14,414,786	9,762,026	4,063,447	115,617	6,754,259	72,498	2,090,424	2,491,850	2,139,897
Committed	552,961	500,789	500,793	493,891	777,390	865,921	1,270,801	838,356	1,045,366	1,166,356
Assigned	43,980	216,600	351,700	194,465	7,019,021	6,974,810	5,962,653	4,407,841	7,073,918	8,643,361
Unassigned	-	-	-	-	(539,655)	-	(432,883)	(272,944)	(107,909)	(1,056,299)
Unreserved, Reported in										
Major Funds	5,674,688	3,963,513	3,271,799	3,164,483	-	-	-	-	-	-
Non Major Funds	4,595,222	4,339,966	4,550,695	4,601,609	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 20,001,086</u>	<u>\$ 23,617,584</u>	<u>\$ 18,621,334</u>	<u>\$ 12,750,269</u>	<u>\$ 7,566,182</u>	<u>\$ 14,937,968</u>	<u>\$ 7,307,729</u>	<u>\$ 7,552,143</u>	<u>\$ 10,969,288</u>	<u>\$ 11,328,638</u>
Total Governmental Funds	<u>\$ 27,197,834</u>	<u>\$ 30,817,747</u>	<u>\$ 25,955,630</u>	<u>\$ 21,826,949</u>	<u>\$ 21,700,610</u>	<u>\$ 30,381,475</u>	<u>\$ 23,620,694</u>	<u>\$ 24,835,162</u>	<u>\$ 29,903,788</u>	<u>\$ 33,050,574</u>

City of Peekskill, New York

Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Real property taxes	\$ 14,264,604	\$ 14,614,316	\$ 14,057,239	\$ 15,496,328	\$ 16,328,161	\$ 16,285,502	\$ 16,710,244	\$ 16,946,996	\$ 17,186,004	\$ 18,087,765
Other tax items	6,526,401	6,220,683	6,899,141	7,991,485	7,140,831	8,463,366	8,613,862	8,894,054	7,983,323	8,641,740
Non-property taxes	3,707,160	3,953,649	4,163,848	4,156,767	4,221,507	4,223,139	4,856,721	5,046,559	5,737,077	6,779,704
Departmental income	12,384,288	9,899,512	11,420,772	11,969,556	12,738,828	12,869,756	13,662,968	13,364,814	13,988,013	13,574,779
Charges for Service	303,200	222,949	195,000	235,000	230,000	177,452	172,106	234,651	147,431	55,330
Use of money and property	299,247	389,504	384,863	357,041	413,543	422,429	273,964	870,545	751,505	667,844
Changes in fair value of investments	-	-	-	-	77,152	263,652	-	-	-	-
Licenses and permits	314,315	308,719	372,919	466,504	1,035,930	915,930	924,471	477,738	825,182	857,331
Fines and forfeitures	626,699	654,355	712,212	674,840	875,113	870,796	1,083,346	974,223	467,634	746,272
Sale of property and compensation for loss	16,458	28,238	28,130	65,656	30,173	12,903	25,469	248,506	2,251	7,781
State aid	2,914,047	2,999,878	6,008,711	7,510,427	4,362,086	4,021,034	4,510,909	4,750,980	5,760,178	3,746,036
Federal aid	7,655,429	7,401,063	6,407,808	7,276,203	6,301,710	7,047,453	6,544,748	9,249,115	8,492,503	8,278,236
Miscellaneous	685,816	670,438	557,520	3,086,869	503,400	971,229	440,331	499,123	460,269	4,721,396
Total Revenues	49,677,644	47,363,304	51,208,163	59,286,676	54,258,434	56,564,641	57,618,239	61,557,304	61,801,370	66,164,214
EXPENDITURES										
Current										
General government support	5,816,433	6,692,018	4,428,898	3,981,018	3,785,707	4,310,310	4,256,940	4,380,526	4,440,270	4,879,243
Public safety	15,887,617	15,269,053	12,129,990	11,999,014	12,300,725	12,726,377	13,088,165	12,774,010	13,265,533	12,823,233
Health	264,979	209,327	252,607	225,287	136,060	209,569	297,125	266,499	401,674	132,832
Transportation	2,750,260	2,423,946	2,196,806	2,370,074	2,226,156	2,386,106	2,579,699	2,552,059	2,101,841	2,046,194
Economic opportunity and development	556,599	544,093	450,117	431,911	428,847	435,518	553,459	573,087	528,741	529,954
Culture and recreation	3,356,754	2,977,768	2,630,915	2,580,986	2,374,962	2,551,522	2,552,370	2,759,423	1,958,674	2,616,787
Home and community services	16,024,415	14,424,989	13,106,985	13,165,156	13,519,608	13,478,566	14,463,633	15,511,396	14,413,874	15,059,473
Employee benefits	2,390,021	2,517,379	8,324,724	8,786,602	9,472,407	8,985,700	10,527,985	10,586,830	10,513,064	11,269,440
Debt service										
Principal	3,780,621	5,123,745	3,916,797	4,779,256	3,921,776	4,051,898	4,721,904	4,810,183	4,768,919	4,997,365
Interest	1,978,578	1,897,021	2,189,428	1,783,212	1,578,945	1,515,780	1,543,257	1,377,695	1,368,680	1,284,769
Refunding bond issuance costs	-	-	80,137	416,888	-	388,148	-	-	-	-
Advance refunding escrow	-	-	-	1,963,950	-	-	-	-	-	-
Capital outlay	2,577,432	3,481,518	8,042,065	11,542,207	7,520,802	11,531,935	9,925,091	4,884,938	7,915,819	6,526,266
Total Expenditures	55,383,709	55,560,857	57,749,469	64,025,561	57,265,995	63,481,429	64,509,628	60,476,646	61,677,089	62,165,556
Excess (Deficiency) of Revenues Over Expenditures	(5,706,065)	(8,197,553)	(6,541,306)	(4,738,885)	(3,007,561)	(6,916,788)	(6,891,389)	1,080,658	124,281	3,998,658
OTHER FINANCING SOURCES (USES)										
Transfers in	1,077,032	918,218	1,445,166	1,754,939	1,841,758	2,573,749	2,179,842	2,749,057	833,000	1,362,459
Transfers out	(1,077,032)	(918,218)	(1,445,166)	(1,754,939)	(1,841,758)	(2,573,749)	(2,179,842)	(2,749,057)	(833,000)	(1,362,459)
Insurance recoveries	192,499	103,766	309,787	193,316	197,548	74,516	130,608	54,865	141,333	94,535
Bonds issued	-	11,713,700	-	-	-	14,610,000	-	-	-	-
Refunding bonds issued	-	-	3,270,000	26,125,000	-	12,810,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	(3,298,007)	(25,708,112)	-	(12,663,805)	-	-	-	-
Issuance premium	-	-	108,144	-	30,100	241,953	-	-	-	-
Notes issued	703,130	-	189,265	-	-	524,989	-	78,945	4,803,012	-
Bond anticipation notes issued	1,428,000	-	1,100,000	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,323,629	11,817,466	1,679,189	610,204	227,648	15,597,653	130,608	133,810	4,944,345	94,535
Net Change in Fund Balances	\$ (3,382,436)	\$ 3,619,913	\$ (4,862,117)	\$ (4,128,681)	\$ (2,779,913)	\$ 8,680,865	\$ (6,760,781)	\$ 1,214,468	\$ 5,068,626	\$ 4,093,193
Debt Service as a Percentage of Non-Capital Expenditures	11.9%	15.5%	13.8%	14.2%	10.8%	10.3%	11.4%	11.1%	11.4%	11.6%

Revenue Capacity

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

Assessed Value and Estimated Actual Value
of Taxable Property

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

Principal Taxpayers

Property Tax Levies and Collections

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

Year	Total Taxable Assessed Value	State Special Equalization Rate (1)	Estimated Actual Taxable Value	Total Direct Tax Rate
2012	\$ 62,582,709	3.72 %	\$ 1,623,364,701	\$ 254.19
2013	62,499,541	3.85	1,445,878,341	261.15
2014	61,883,593	4.28	1,567,522,418	272.97
2015	62,874,456	3.97	1,653,730,536	277.82
2016	61,684,149	3.73	1,694,746,110	299.31
2017	61,858,233	3.65	1,777,535,431	301.85
2018	62,393,182	3.48	1,761,101,039	309.35
2019	62,628,143	3.56	1,981,400,440	315.19
2020	63,008,534	3.18	1,981,400,440	316.95
2021	63,566,214	2.83	2,246,155,972	325.20

(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			
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
2021	325.20	107.55	18.20	10.03	738.21	602.70	14.26

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

City of Peekskill, New York

Principal Taxpayers
Current Year and Nine Years Ago

2021				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison	Utility	\$ 3,217,231	5.11 %
2	Beach Improvements	Shopping Center	960,000	1.52
3	Crompond Apartments Owners	Co-Op Apartments	563,600	0.89
4	Crossroads Assoc LLC	Apts & Vac Land	515,600	0.82
5	Peekskill Towers Corp	Co-Op Apartments	412,925	0.66
6	BNS I LLC	Retail	405,000	0.64
7	River Ridge Owners Corp	Co-Op Apartments	390,000	0.62
8	Hudson View Peekskill LLC	Co-Op Apartments	345,000	0.55
9	Hampton Oaks Inc.	Apartments	330,000	0.52
10	1201 Main St, I & II LLC	Retail	308,000	0.49
			<u>\$ 7,447,356</u>	<u>11.82 %</u>
2012				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Consolidated Edison	Utility	\$ 3,770,444	6.02 %
2	Beach Improvements	Shopping Center	850,000	1.36
3	Crompond Apt Owners	Co-Op Apartments	563,600	0.90
4	Peekskill Towers Corp.	Co-Op Apartments	412,925	0.66
5	BNS I LLC	Retail	405,000	0.65
6	River Ridge Owners Corp	Co-Op Apartments	390,000	0.62
7	Hudson View Peekskill LLC	Co-Op Apartments	345,000	0.55
8	Hampton Oaks Inc.	Apartments	330,000	0.53
9	1201 Main St, I & II LLC	Co-Op Apartments	308,000	0.49
10	Patricia Apartments LLC	Apartments	305,800	0.49
			<u>\$ 7,680,769</u>	<u>12.27 %</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
2012	\$ 13,966,276	\$ 13,535,631	96.92 %	\$ 430,645	\$ 13,966,276	100.00 %
2013	14,500,000	14,086,540	97.15	413,460	14,500,000	100.00
2014	14,740,700	14,315,904	97.12	424,796	14,740,700	100.00
2015	15,170,000	14,868,069	98.01	301,931	15,170,000	100.00
2016	16,000,000	15,630,411	97.69	368,555	15,998,966	99.99
2017	16,152,000	15,816,065	97.92	320,565	16,136,630	99.90
2018	16,650,000	16,312,232	97.97	261,328	16,573,560	99.54
2019	16,990,000	16,678,597	98.17	213,377	16,891,974	99.42
2020	17,260,000	16,915,055	98.00	178,624	17,093,679	99.04
2021	17,945,000	17,594,180	98.05	-	17,594,180	98.05

Source: City of Peekskill Finance Department; collections as of May 23, 2022

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

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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)
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	2.71	2,229	6.87
2021	44,274,272	4,370,370	48,644,642	2.17	1,913	5.89

(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

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City of Peekskill, New YorkDirect and Overlapping Governmental Activities Debt
December 31, 2021

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Peekskill (1)</u>	<u>Amount Applicable to City of Peekskill (1)</u>
County of Westchester	\$ 1,323,832,508	0.020%	\$ 26,038,164
School Districts (June 30, 2021)			
Peekskill School District	50,501,807	100%	50,501,807
Net Overlapping Debt			76,539,971
City Direct Debt			<u>48,644,642</u>
Net Direct and Overlapping Debt			<u><u>\$ 125,184,613</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

	2012	2013	2014	2015
Debt Limit	\$ 131,461,917	\$ 121,756,966	\$ 114,144,271	\$ 111,619,576
Total Net Debt Applicable to Limit	55,143,000	61,928,000	59,355,700	55,015,951
Legal Debt Margin	<u>\$ 76,318,917</u>	<u>\$ 59,828,966</u>	<u>\$ 54,788,571</u>	<u>\$ 56,603,625</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	41.95%	50.86%	52.00%	49.29%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessment Roll					
Year	Budget Year	Assessed Valuation	State Special Equalization Ratio		Full Valuation
2020	2021	\$ 63,566,214	2.83	% \$	2,246,155,972
2019	2020	63,008,534	3.18		1,981,400,440
2018	2019	62,628,143	3.56		1,759,217,500
2017	2018	62,393,182	3.48		1,792,907,529
2016	2017	61,858,233	3.65		<u>1,694,746,110</u>
Total Five Year Full Valuation					<u>\$ 9,474,427,550</u>
Five Year Average Full Valuation of Taxable Real Property					<u>\$ 1,894,885,510</u>
Debt Limit - 7% of Five Year Average Full Valuation					<u>132,641,986</u>
Outstanding City Debt					
Serial Bonds					44,274,272
Tan Anticipation Notes					<u>-</u>
Net Indebtedness Subject to Debt Limit					<u>44,274,272</u>
Net Debt Contracting Margin					<u>\$ 88,367,714</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 111,793,389	\$ 113,580,495	\$ 118,403,613	\$ 118,780,776	\$ 124,348,030	\$ 132,641,986
<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>44,274,272</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>	<u>\$ 88,367,714</u>
45.86%	55.43%	49.17%	44.97%	41.74%	33.38%

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Demographic and Economic Information

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

Demographic Statistics

Principal Employers

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City of Peekskill, New York

Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ended Dec. 31,	Population (1)	Median Age (1)	Personal Income	Per Capita Income (1)	Median Household Income (1)	Median Family Income (1)	Unemployment Rate (2)
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
2021	25,431	38.7	825,490,260	32,460	57,206	52,645	5.2

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

Principal Employers
Current Year and Nine Years Ago

		2021	
Taxpayer	Type of Business	Employees	Percentage of Total Employment
NY Presbyterian - Hudson Valley	Health Services	1,300	16.05 %
Entergy Northeast	Indian Point Power Plant	1,000	12.35
White Plains Linen	Linen Rental	520	6.42
BASF Corp	Manufacturer	187	2.31
Mines Press	Commercial Printing	175	2.16
Cortlandt Health Care	Health Services	171	2.11
Emerald Peek Rehabilitation	Health Services	125	1.54
Hudson Hospitality Group	Food and Beverage	125	1.54
D. Bertolini & Sons Inc	Food and Beverage	115	1.42
Continental Buchanan	Manufacturing	100	1.23
		<u>3,818</u>	<u>47.14 %</u>
		2012	
Taxpayer	Type of Business	Employees	Percentage of Total Employment
Entergy Northeast	Indian Point Power Plant	1,400	18.42 %
Hudson Valley Hospital Center	Health Services	700	9.21
White Plains Linen	Linen Rental	450	5.92
BASF Corp	Manufacturer	250	3.29
Hudson River Health Care	Health Services	200	2.63
West Ledge Nursing Home	Health Services	150	1.97
Mines Press	Commercial Printing	120	1.58
D. Bertoline & Sons, Inc	Food and Beverage	105	1.38
Frank & Lindy Plumbing	Plumbing Contractor	85	1.12
Wheelabrator Westchester LLP	Solid Waste Disposal	66	0.87
		<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,				
	2012	2013	2014	2015	2016
General Government	96	84	84	84	83
Public Safety	95	86	84	84	84
Transportation	14	12	12	12	12
Economic Opportunity and Development	9	7	7	7	7
Culture and Recreation	21	19	19	19	19
Home and Community Services	24	19	19	19	19
Central Garage	6	4	4	4	4
Total	265	231	229	229	228

Source: City of Peekskill Finance Department

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
80	80	80	74	74
83	83	83	73	73
12	13	13	13	13
7	7	7	7	7
18	19	19	12	11
17	18	18	17	17
<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>221</u>	<u>224</u>	<u>224</u>	<u>200</u>	<u>199</u>

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City of Peekskill, New York

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT SUPPORT										
Basic STAR applications	3,541	3,521	3,090	3,080	2,934	2,766	2,353	2,326	2,081	1,968
Enhanced STAR applications	652	648	647	650	655	622	605	628	595	581
Vital statistic certificates issued	1,068	1,084	914	1,051	1,920	1,094	1,250	965	1,169	772
PUBLIC SAFETY										
Police										
Calls for service	22,816	24,549	25,494	27,650	29,236	32,416	34,394	39,523	40,750	39,828
Part I crimes	258	278	241	322	197	210	272	239	209	169
Physical arrests	1,570	1,507	1,499	1,345	1,531	1,313	1,257	1,171	712	702
Parking summonses issued	11,027	8,190	9,210	10,905	19,369	15,461	17,348	17,842	2,055	14,677
Traffic violations issued	3,906	4,779	4,220	4,542	4,587	4,666	4,121	4,479	11,787	2,013
Fire										
Calls for service	3,310	3,269	3,162	2,978	3,162	2,732	2,389	2,448	1,964	2,594
Transportation										
Street lights replaced	16	18	18	20	1,100	20	12	-	-	-
Street signs replaced	125	550	325	275	300	250	275	300	340	140
ECONOMIC OPPORTUNITY AND DEVELOPMENT										
Elderly nutrition meals served	36,910	37,283	36,914	37,667	37,294	37,671	38,682	42,834	45,001	30,000
CULTURE AND RECREATION										
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball	5	5	5	5	5	5	5	5	5	5
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	5	5	5	5	5	5	5	5	5	5
Pool passes issued	1,796	1,551	1,189	1,707	1,764	1,990	2,115	1,883	-	3,261
Summer youth employment workers	146	144	131	134	147	134	145	170	22	85
HOME AND COMMUNITY SERVICES										
Tons of trash collected	7,931	7,535	7,657	7,289	7,851	8,113	7,761	8,539	8,563	8,777
Tons of material recycled	1,552	1,201	1,369	1,351	2,808	4,112	4,344	4,751	4,552	4,437
Tons of leaves/yard waste recycled	1,298	1,622	3,652	2,159	1,041	1,298	1,644	3,095	3,240	3,393
Storm water catch basins cleaned	350	365	325	345	300	275	475	346	402	19
Building, plumbing and related permits issued	900	1,000	1,000	1,100	1,128	1,228	1,341	2,503	2,124	1,303
Building inspections conducted	2,574	1,934	2,196	3,945	3,678	2,907	3,125	9,612	9,750	5,700
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

	2012	2013	2014	2015
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	7,013	6,903	6,682	7,085

Sources: Various City departments

N/A - Information not available

2016	2017	2018	2019	2020	2021
15	15	15	11	11	11
1	1	1	1	1	1
6	6	6	1	1	1
31	31	31	31	31	31
110	110	110	110	110	110
1,589	1,589	1,609	1,609	1,609	1,609
1	1	1	1	1	1
19	19	19	19	19	19
300	300	300	300	300	300
1	1	1	1	1	1
575	575	580	580	580	580
52	52	52	52	52	52
48	48	48	48	48	48
59	59	59	59	59	59
2	2	2	2	2	2
14	15	15	15	15	15
7,215	5,937	6,054	7,687	914	1,638

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FEDERAL AWARDS

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Peekskill, New York ("City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 1, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 1, 2022



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Peekskill, New York's ("City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 1, 2022

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City of Peekskill, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs				
Section 8 Housing Choice Vouchers Program	14.871	n/a	\$ -	\$ 7,806,591
Indirect Program Passed through New York State Home & Community Renewal Office of Community Renewal				
Community Development Block Grant Program	14.228	1523ME108-16	-	24,619
COVID-19 Section 8 Housing Choice Voucher Program	14.HCC	n/a	-	239,310
Total U.S. Department of Housing and Urban Development			-	8,070,520
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
Drug-Free Communities Support Program	93.276	n/a	-	75,821
Indirect Program - Passed through Westchester County -				
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	n/a	-	322,753
Title V Sexual Risk Avoidance - Education Program	93.787	n/a	-	24,438
Total U.S. Department of Health and Human Services			-	423,012
<u>U.S. Department of Labor</u>				
Indirect Program - Passed through Westchester County				
YouthBuild	17.274	n/a	-	93,665
Workforce Innovation and Opportunity Act	17.259	n/a	-	107,718
Total U.S. Department of Labor			-	201,383
Total			\$ -	\$ 8,694,915

The accompanying notes are an integral part of this schedule.

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

City of Peekskill, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

City of Peekskill, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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:

Assistance

Listing Number

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Voucher Program

14.871

COVID 19 – 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, 2021

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, 2021

None