

Town of Somers, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2025

Town of Somers, New York

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Independent Auditors' Report

**The Honorable Supervisor and Town Board of
the Town of Somers, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Somers, New York ("Town"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the General and Highway 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 Town, 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 Town'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 Town'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 Town'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 that 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules 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 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

May 4, 2026

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Town of Somers, New York

Management's Discussion and Analysis
December 31, 2025

Introduction

This discussion and analysis of the Town of Somers, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the fiscal year ended December 31, 2025. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights for Fiscal Year 2025

- The Town is in sound financial condition, with a strong credit rating, a sizable tax base, prudent fund balances, and a low debt burden. The General Fund is the Town's primary operating fund. At the end of the current fiscal year, the total fund balance of the General Fund was \$16,932,998, representing an increase of \$1,382,729 from fiscal year 2024. This increase was primarily driven by revenues exceeding budgeted amounts from non-property taxes (\$531,045), use of money and property (\$286,556), and gifts and donations (\$256,034). The unassigned fund balance of \$2,926,359 represents 17% of the total fund balance of \$16,932,998 and 24% of total General Fund expenditures and other financing uses. The Town assigns a portion of its fund balance for future obligations, including capital costs and tax certiorari claims.
- On the government-wide financial statements, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$26,452,815, representing an increase of \$3,382,601 from fiscal year 2024. However, the unrestricted net position, which is available to meet the Town's ongoing needs, reflects a deficit of \$4,696,936 as of December 31, 2025, a decrease of \$1,846,781 from the prior year. This deficit is primarily attributable to the accrual of certain operating liabilities in accordance with applicable Governmental Accounting Standards Board ("GASB") pronouncements discussed in this report; these obligations are expected to be satisfied in future years.
- The Town provides postemployment benefits to certain current and retired employees in the form of healthcare and pensions. As a result, the Town has recorded substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2025, the Town had a liability of \$25,566,080 for other postemployment benefits recorded in accordance with provisions of Government Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* ("OPEB"). This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. Additionally, the Town had a liability of \$2,515,976 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") recorded in accordance with the provision of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and none for the Local Police and Fire Retirement System ("PFRS") as there are no current members. Under the standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense

and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the municipalities and school districts in the plan. More detailed information about the Town's OPEB and pension reporting is presented in Note 3 in the notes to the Financial Statements.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$27,554,153, an increase of \$1,159,913 from the prior year. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$27,600,391. Of this latter amount, the unassigned fund balance was \$2,926,359 or 11%. This amount is available for spending at the Town's discretion.
- The Town retired \$375,000 of general obligation debt in 2025 and ended the year with \$3,585,000 outstanding. In 2025, Moody's Investors Service reaffirmed the Town's General Obligation Bond Aaa rating which reflects the Town's healthy reserves, liquidity and tax base. More detailed information about the Town's Bonds Payable is presented in Note 3 in the notes to the Financial Statements.

Overview of the Financial Statements

The Town's financial statements are composed of this Management Discussion and Analysis and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The Management Discussion and Analysis provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to the Town's programs, are excluded from these statements.

The *Statement of Net Position* presents the Town's total assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the current 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 such as uncollected taxes, compensated absences, OPEB and net pension liabilities and tax certiorari claims. The focus of this statement is on the net cost of providing various activities to the citizens of the Town.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues ("*governmental activities*"). The governmental activities of the Town include general government support, public safety, health,

transportation, economic opportunity and development, culture and recreation, home and community services and interest.

The government-wide financial statements can be found on the pages immediately following this discussion and analysis.

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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on the available balances of these resources at the end of the fiscal year. This information may be useful in determining the Town'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 Town'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 Town maintains eight individual governmental funds: General, Highway, Capital Projects, Public Library, Special Districts, Special Purpose, Debt Service and Permanent funds. Of these, the General, Highway, Debt Service, Special Purpose and Capital Projects Funds are reported as major funds and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found in the *combining statements* elsewhere in this report.

The Town adopts annual budgets for its General, Highway, Public Library, Special Districts and Debt Service funds. A budgetary comparison statement, for the major funds, has been provided to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support Town programs. The Town maintains only one type of fiduciary fund that is known as the custodial fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in this fund is limited to the taxes collected for other governments.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found 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 Town's OPEB and net pension liabilities and 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 Town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,452,815 for fiscal year 2025.

The following table reflects the condensed Statement of Net Position:

	December 31,	
	2025	2024
Current Assets	\$ 32,597,699	\$ 31,064,165
Capital Assets, net	29,304,981	28,503,547
Total Assets	61,902,680	59,567,712
Deferred Outflows of Resources	4,044,334	4,827,641
Current Liabilities	2,911,193	2,902,586
Long-Term Liabilities	33,126,597	31,990,657
Total Liabilities	36,037,790	34,893,243
Deferred Inflows of Resources	3,456,409	6,431,896
Net Position		
Net Investment in Capital Assets	25,453,533	24,224,671
Restricted	5,696,218	5,389,260
Unrestricted	(4,696,936)	(6,543,717)
Total Net Position	\$ 26,452,815	\$ 23,070,214

Current assets in governmental activities increased by \$1,533,534 from the prior year. This increase was primarily attributable to higher balances in cash and cash equivalents and taxes.

Current liabilities in governmental activities increased slightly by \$8,607 compared to the previous year.

Long-term liabilities, which consist of bonds, compensated absences, claims payable, net pension liabilities, and other post-employment benefit liabilities, increased by \$1,135,940 compared to the prior year for governmental activities. This increase was primarily due to higher net pension and OPEB liabilities.

The largest component of the Town’s net position is its investment in capital assets (net of related debt), totaling \$25,453,533. This amount represents the Town’s investment in capital assets, less any outstanding debt incurred to acquire those assets. The Town uses these capital assets to provide services to its residents; therefore, they are not available for future spending. Although this investment is reported net of related debt, it should be noted that the resources required to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

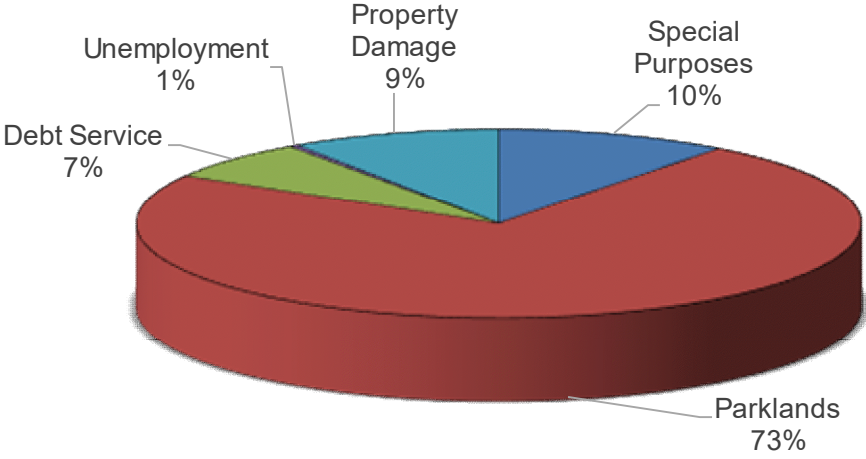
The restricted net position of \$5,696,218 represents resources that are subject to external restrictions on their use. The restrictions are:

	December 31,	
	<u>2025</u>	<u>2024</u>
Property Damage	\$ 533,942	\$ 512,624
Unemployment Benefits	20,200	20,365
Debt Service	390,266	386,650
Special Purposes	589,462	470,354
Parklands	<u>4,162,348</u>	<u>3,999,267</u>
	<u>\$ 5,696,218</u>	<u>\$ 5,389,260</u>

The remaining balance is an unrestricted deficit of \$4,696,936, which must be financed through future operations. This deficit does not indicate that the Town lacks the resources to meet its obligations in the coming year. Rather, it results from long-term commitments—including compensated absences (\$294,849), net pension liability (\$2,515,976), claims payable (\$832,647), and OPEB liability (\$25,566,080)—that exceed currently available resources. Payments for these liabilities will be budgeted in the years in which they are due.

At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

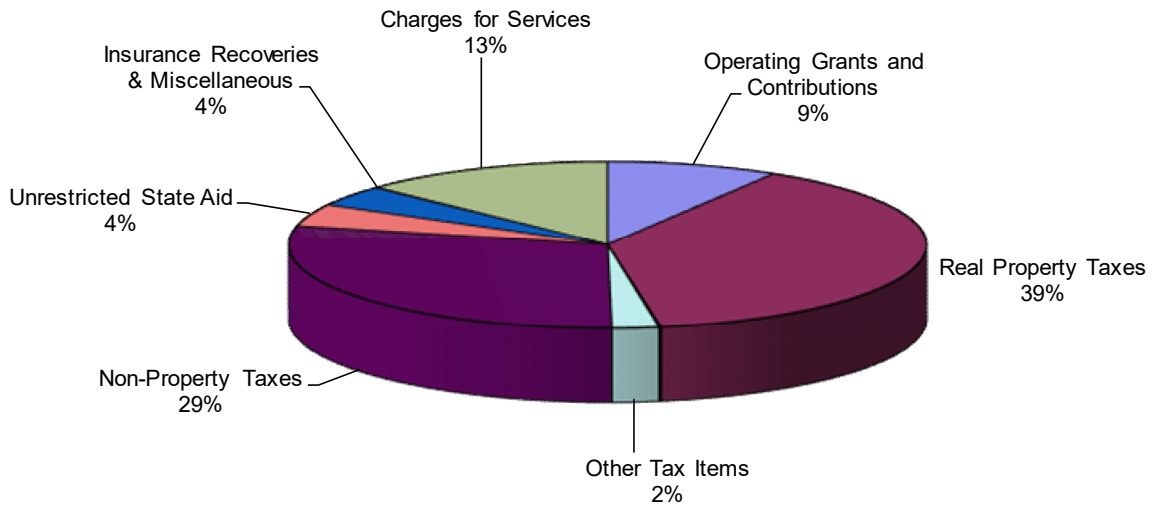
2025 Restricted Net Position



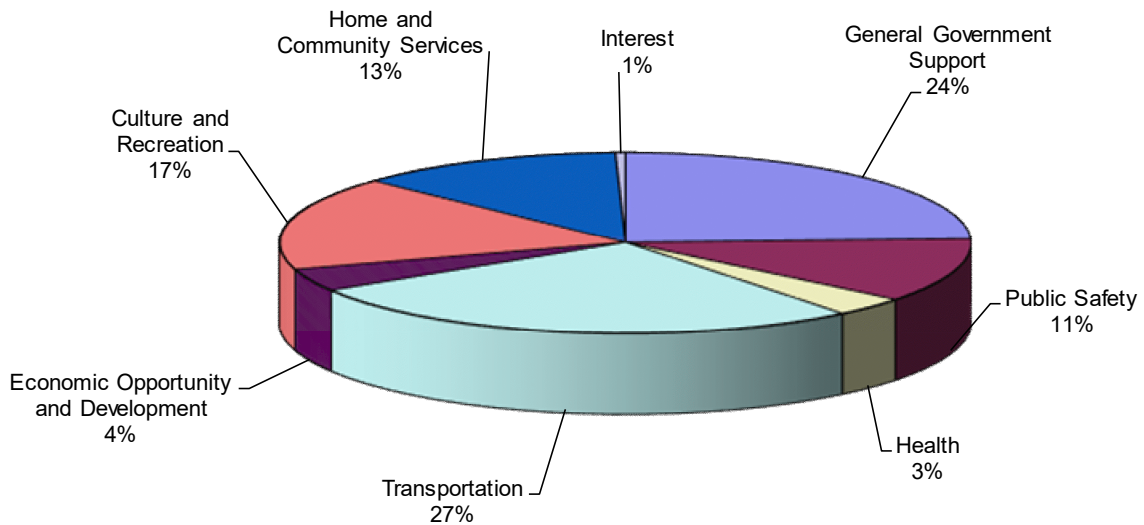
Statement of Changes in Net Position

	December 31,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 2,889,910	\$ 2,578,056
Operating Grants and Contributions	1,953,178	1,434,330
Capital Grants and Contributions	22,607	2,388,256
General Revenues		
Real Property Taxes	8,662,891	8,294,833
Payment in lieu of taxes	10,784	10,470
Other Tax Items:		
Interest and Penalties on Real Property Taxes	530,990	218,591
Non-Property Taxes		
Non-Property Tax Distribution from County	6,037,780	5,779,854
Franchise Fees - Cable TV	430,651	452,491
Unrestricted Use of Money and Property	845,976	1,076,375
Sale of Property and Compensation for Loss	24,558	8
Insurance Recoveries	24,707	860
Unrestricted State Aid	980,703	787,832
Miscellaneous	40,043	21,745
	<u>22,454,778</u>	<u>23,043,701</u>
 Total Revenues		
EXPENSES		
Program Expenses		
General Government Support	4,643,208	4,717,031
Public Safety	2,185,372	2,335,841
Health	655,103	601,610
Transportation	5,133,614	4,996,422
Economic Opportunity and Development	769,185	799,907
Culture and Recreation	3,217,076	3,293,783
Home and Community Services	2,377,954	2,538,272
Interest	90,665	106,836
	<u>19,072,177</u>	<u>19,389,702</u>
 Total Expenses		
 Change in Net Position	 3,382,601	 3,653,999
NET POSITION		
Beginning	<u>23,070,214</u>	<u>19,416,215</u>
Ending	<u>\$ 26,452,815</u>	<u>\$ 23,070,214</u>

Sources of Revenue for Fiscal Year 2025 Governmental Activities



Expenses for Fiscal Year 2025 Governmental Activities



Governmental Activities: For the fiscal year ended December 31, 2025, governmental activities increased the Town's net position by \$3,382,601, representing a decrease of \$271,398 compared to the prior year. Revenues from governmental activities totaled \$22,454,778, a decrease of \$588,923 from fiscal year 2024, primarily due to the recognition in 2024 of deferred revenue related to the receipt of ARPA funds. The Town obligated and spent \$2,212,711 of ARPA funds in 2024. Excluding revenue from the ARPA funds, revenue increased \$1,623,788 due to increases in Operating Grants and Contributions (\$518,848), Charges for Services (\$311,854), Real Property Taxes (\$368,058) and Interest and Penalties on Real Property Taxes (\$312,399). Tax revenues totaling \$15,673,096—comprised of real property taxes, payments in lieu of taxes, other tax items, and non-property taxes—represented the largest revenue source, accounting for 70% of total revenues. Expenses for 2025 were \$19,072,177, which were relatively consistent with prior year expenses of \$19,389,702, a difference of \$317,525. This decrease was mainly due to Public Safety and Home and Community Services offset by an increase in Transportation.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$27,554,153, an increase of \$1,159,913 from the prior year. The non-spendable fund balance component totals \$987,206, consisting of \$702,328 in prepaid expenditures and \$284,878 in trust principal. Fund balance of \$5,411,340 is restricted for debt service, property damage, unemployment benefits, parklands, and trusts. The assigned fund balance of \$18,275,486 includes amounts designated to balance the fiscal 2026 budget (\$657,921 in the General Fund, \$22,750 in the Highway Fund and \$10,000 in the Library Fund), as well as \$9,700,000 for capital costs and \$2,500,000 for tax certiorari claims. The remaining fund balance is unassigned and represents the residual positive fund balance in the General Fund of \$2,926,359 and in the Capital Projects Fund of (\$46,238) after amounts have been restricted, committed, or assigned for other purposes.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$16,932,998. Of this amount, \$2,926,359 was unassigned and represents 17% of the total fund balance of \$16,932,998 and represents 24% of total General Fund Expenditures and Other Financing Uses.

General Fund Budgetary Highlights

When the fiscal year 2025 budget was adopted, it anticipated the use of \$230,758 of fund balance. Actual results of operations resulted in an increase of \$1,382,729 to fund balance. Overall, General Fund expenditures and other financing uses totaled \$12,409,995, which was \$33 less than the final budget.

There was a difference between the original revenues budget and actual revenues for the General Fund, with the original budget totaling \$11,698,532 and actual revenues totaling \$13,792,724, resulting in a difference of \$2,094,192. The revenue categories with the largest positive variances compared to the original budget were Other Tax Items (\$298,990), Use of Money and Property (\$286,556), Miscellaneous (\$295,527), which primarily consists of gifts and donations, Non-Property Taxes (\$531,045), which primarily consist of sales tax and State Aid (\$278,875), which primarily consists of mortgage tax.

There was a difference between the original expenditures budget and the actual expenditures and other financing uses for the General Fund, with the original budget totaling \$11,929,290 and the actual amount totaling \$12,409,995, a difference of \$480,705. The expenditure category with the largest variance was general government support, which increased by \$387,052 primarily due to the removal and remediation on a property in the town.

Other

The Highway Fund's total fund balance at the end of the current fiscal year was \$2,855,955, which represents a decrease of \$63,099 from fiscal year 2024 due to higher costs from weather events in 2025.

The Capital Projects Fund is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance was \$(46,238) for fiscal year 2025. This deficit arose because of expenditures exceeding current financing on the projects. This deficit will be eliminated with the subsequent receipt or issuance of authorized financing.

Non-major Governmental Funds consist of certain Special Revenue Funds and the Permanent Fund. The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for certain defined purposes. The non-major Special Revenue Funds of the Town are the Public Library Fund, which is provided to account for the activities of the Town's Public Library, Special Districts Fund, which is provided to account for the operation and maintenance of the Town's water, sewer and street lighting districts, the Permanent Fund, which is used to account for assets held by the Town in accordance with the terms of donor or grantor stipulations where the principal amounts cannot be expended.

For the fiscal year ended December 31, 2025, the combined fund balances of the Non-major Governmental Funds totaled \$3,013,517, representing a decrease of \$397,300 from fiscal year 2024. The Library's fund balance at the end of the current fiscal year was \$421,939, reflecting a decrease of \$19,557 from fiscal year 2024. This decrease was primarily attributable to higher employee benefit costs. The Special Districts' ending fund balance was \$2,247,423, representing a decrease of \$391,483 from fiscal year 2024. This decline was primarily due to expenditures related to capital projects, including, but not limited to, water tank restoration, sewer pump station upgrades and new hydrants.

For 2025, the Special Purpose Fund, which is used to account for assets held by the Town in accordance with terms of donor or grantor stipulations, is reported as a Major Government Fund. The Special Purpose Fund's total fund balance at the end of the current fiscal year was \$4,407,655 which represents an increase of \$268,449 from fiscal year 2024.

Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental activities as of December 31, 2025, amount to \$29,304,981 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Capital Assets

	December 31,	
	2025	2024
Land	\$ 5,881,179	\$ 5,881,179
Construction Work-in-Progress	4,802,568	4,344,396
Buildings and Improvements	10,239,326	10,275,517
Machinery and Equipment	2,816,364	2,783,932
Infrastructure	5,565,544	5,218,523
Total	\$ 29,304,981	\$ 28,503,547

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Road resurfacing (approximately 5 roads or 4 miles) - \$760,012
- Purchase of four trucks for Highway Department - \$598,711
- Purchase of two hybrid police vehicles - \$122,464
- Purchase of two mowers, two utility carts and a tractor for Parks Department - \$124,869
- Restoration of Ross Drive water tank - \$704,533
- Purchase and installation of fire hydrants - \$101,939

Capital projects expected to continue in 2026 include the multi-year expansion of Reis Park, the installation of a generator at the Police Department, the project to reduce PFAS levels in the water supply at the Town House and Annex buildings, and the renovation of the Reynolds House. New projects anticipated to commence in 2026 include the development of a master plan for the Reynolds House area of the Angle Fly Preserve; restoration of the Historic Elephant Hotel (Town House); repairs to the Wright-Reis Homestead building; and the purchase of a vacuum truck for use by the Highway and Water Departments. Grants and fund balance reserves are expected to provide a portion of the funding for these projects, while larger projects may require the Town to borrow funds.

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

Long-Term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$3,585,000. In 2025, Moody's Investors Service reaffirmed the Town's General Obligation Bond Aaa rating which reflects the Town's healthy reserves, liquidity and tax base. Payments of \$375,000 on prior indebtedness were made in 2025.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. As of December 31, 2025, the Town is significantly below this limitation and had exhausted 1.10% of its constitutional debt limit.

As a result of sound financial management, prudent budgeting and manageable debt levels, the Town is currently rated Aaa by Moody's Investor Service. The Town continues to maintain its consistently strong cash flow position, fully able to fund operating activities without the need to borrow. The Town Tax Levy for 2025 remained well below the tax cap and marginally higher than 2024. Contract negotiations are ongoing with one union and any impact on future budgets is unknown at this time.

Additional information on the Town's long-term debt can be found in Note 3 of this report.

Economic Factors and Next Year's Budget

The Town is affected by economic conditions including, but not limited to, the housing and labor markets, interest rates, and changes in taxable assessed valuations. Inflation is also a factor as the cost for materials and services has risen and any further increases in the price of goods and services will adversely affect the Town's finances. Economic and other factors such as healthcare and pension costs may increase at a faster rate than overall inflation.

Despite these challenges, the Town strives to remain under the State's mandated Tax Cap and has done so every year since its implementation in 2012.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Town of Somers Finance Office, 335 Route 202, Somers, New York 10589 or Finance@Somersny.gov.

Town of Somers, New York

Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,463,837
Investments	21,598,704
Receivables	
Taxes, net	1,305,033
Accounts	156,988
Water and sewer rents	450,411
State and Federal aid	399,887
Due from other governments	1,614,402
Prepaid expenses	702,328
Investment in joint venture	906,109
Capital assets	
Not being depreciated	10,683,747
Being depreciated, net	18,621,234
	<hr/>
Total Assets	61,902,680
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	65,597
Pension related	1,822,766
OPEB related	2,155,971
	<hr/>
Total Deferred Outflows of Resources	4,044,334
	<hr/>
LIABILITIES	
Accounts payable	666,813
Accrued liabilities	343,291
Deposits payable	1,028,715
Employee payroll deductions	171
Unearned revenues	849,286
Accrued interest payable	22,917
Noncurrent liabilities	
Due within one year	1,529,000
Due in more than one year	31,597,597
	<hr/>
Total Liabilities	36,037,790
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Pension related	38,576
OPEB related	3,417,833
	<hr/>
Total Deferred Inflows of Resources	3,456,409
	<hr/>
NET POSITION	
Net investment in capital assets	25,453,533
Restricted for	
Property damage	533,942
Unemployment benefits	20,200
Debt service	390,266
Special Purposes	
Expendable-Culture and recreation	304,584
Nonexpendable-Culture and recreation	284,878
Parklands	4,162,348
Unrestricted	(4,696,936)
	<hr/>
Total Net Position	\$ 26,452,815
	<hr/> <hr/>

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

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Town of Somers, New York

Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 4,643,208	\$ 265,213	\$ 41,357	\$ -	\$ (4,336,638)
Public safety	2,185,372	17,224	-	-	(2,168,148)
Health	655,103	-	-	-	(655,103)
Transportation	5,133,614	164,290	1,007,229	-	(3,962,095)
Economic opportunity and development	769,185	-	183,640	-	(585,545)
Culture and recreation	3,217,076	401,251	635,281	-	(2,180,544)
Home and community services	2,377,954	2,041,932	85,671	6,991	(243,360)
Interest	90,665	-	-	15,616	(75,049)
Total Governmental Activities	\$ 19,072,177	\$ 2,889,910	\$ 1,953,178	\$ 22,607	(14,206,482)
General revenues					
Real property taxes					8,662,891
Other tax items					
Payments in lieu of taxes					10,784
Interest and penalties on real property taxes					530,990
Non-property taxes					
Non-property tax distribution from County					6,037,780
Franchise - Cable TV					430,651
Unrestricted use of money and property					845,976
Sale of property and compensation of loss					24,558
Unrestricted State aid					980,703
Miscellaneous					40,043
Insurance recoveries					24,707
Total General Revenues					17,589,083
Change in Net Position					3,382,601
NET POSITION					
Beginning					23,070,214
Ending					\$ 26,452,815

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

Town of Somers, New York

Balance Sheet
 Governmental Funds
 December 31, 2025

	General	Highway	Debt Service
ASSETS			
Cash and equivalents	\$ 3,384,670	\$ 1,144,085	\$ 12,473
Investments	13,236,595	1,485,261	377,793
Taxes receivable, net of allowance for uncollectible amounts of \$993,109	1,305,033	-	-
Other receivables			
Accounts	153,468	-	-
Water and sewer rents	-	-	-
State and Federal aid	130,867	262,029	-
Due from other governments	1,609,685	4,717	-
Due from other funds	61,878	101,738	-
	1,955,898	368,484	-
Prepaid expenditures	614,776	55,418	-
Total Assets	<u>\$ 20,496,972</u>	<u>\$ 3,053,248</u>	<u>\$ 390,266</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 374,264	\$ 51,247	\$ -
Accrued liabilities	154,561	137,988	-
Deposits payable	1,028,715	-	-
Employee payroll deductions	171	-	-
Due to other funds	191,438	8,058	-
Unearned revenues	565,664	-	-
Total Liabilities	2,314,813	197,293	-
Deferred inflows of resources			
Deferred tax revenues	1,249,161	-	-
Total Liabilities and Deferred Inflows of Resources	3,563,974	197,293	-
Fund balances (deficits)			
Nonspendable	614,776	55,418	-
Restricted	533,942	-	390,266
Assigned	12,857,921	2,800,537	-
Unassigned	2,926,359	-	-
Total Fund Balances (Deficits)	16,932,998	2,855,955	390,266
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 20,496,972</u>	<u>\$ 3,053,248</u>	<u>\$ 390,266</u>

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

Special Purpose	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 166,748	\$ 104,201	\$ 651,660	\$ 5,463,837
4,250,583	-	2,248,472	21,598,704
-	-	-	1,305,033
-	-	3,520	156,988
-	-	450,411	450,411
-	6,991	-	399,887
-	-	-	1,614,402
-	60,287	43,238	267,141
-	67,278	497,169	2,888,829
-	-	32,134	702,328
<u>\$ 4,417,331</u>	<u>\$ 171,479</u>	<u>\$ 3,429,435</u>	<u>\$ 31,958,731</u>
\$ 648	\$ 70,034	\$ 170,620	\$ 666,813
-	-	50,742	343,291
-	-	-	1,028,715
-	-	-	171
9,028	53,229	5,388	267,141
-	94,454	189,168	849,286
9,676	217,717	415,918	3,155,417
-	-	-	1,249,161
9,676	217,717	415,918	4,404,578
-	-	317,012	987,206
4,407,655	-	79,477	5,411,340
-	-	2,617,028	18,275,486
-	(46,238)	-	2,880,121
4,407,655	(46,238)	3,013,517	27,554,153
<u>\$ 4,417,331</u>	<u>\$ 171,479</u>	<u>\$ 3,429,435</u>	<u>\$ 31,958,731</u>

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Town of Somers, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2025

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

Total Fund Balances - Governmental Funds	\$ 27,554,153
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	10,683,747
Capital assets - depreciable	58,326,084
Accumulated depreciation	(39,704,850)
Investment in joint venture is not reported in the funds.	<u>906,109</u>
	<u>30,211,090</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	1,822,766
Deferred outflows - OPEB related	2,155,971
Deferred inflows - pension related	(38,576)
Deferred inflows - OPEB related	<u>(3,417,833)</u>
	<u>522,328</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Real property taxes	<u>1,249,161</u>
Long-term and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(22,917)
General obligation bonds payable	(3,585,000)
Compensated absences	(294,849)
Claims payable	(832,647)
Net pension liability - ERS	(2,515,976)
Total OPEB liability	<u>(25,566,080)</u>
	<u>(32,817,469)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	65,597
Premium on general obligation bonds	<u>(332,045)</u>
	<u>(266,448)</u>
Net Position of Governmental Activities	<u>\$ 26,452,815</u>

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

Town of Somers, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2025

	General	Highway	Debt Service
REVENUES			
Real property taxes	\$ 3,023,620	\$ 3,857,148	\$ -
Other tax items	541,774	-	-
Non-property taxes	6,468,431	-	-
Departmental income	625,418	-	-
Intergovernmental charges	62,980	71,938	-
Use of money and property	863,556	118,008	15,616
Licenses and permits	394,216	-	-
Fines and forfeitures	150,593	-	-
Sale of property and compensation for loss	24,558	75,514	-
Interfund revenues	107,500	-	-
State aid	1,104,060	888,904	-
Federal aid	54,053	-	-
Miscellaneous	347,258	16,838	-
	<u>13,768,017</u>	<u>5,028,350</u>	<u>15,616</u>
Total Revenues			
EXPENDITURES			
Current			
General government support	3,716,692	-	-
Public safety	1,747,043	-	-
Health	647,769	-	-
Transportation	410,393	3,793,770	-
Economic opportunity and development	637,586	-	-
Culture and recreation	1,617,353	-	-
Home and community services	238,406	-	-
Employee benefits	2,709,523	992,555	-
Debt service			
Principal	-	-	375,000
Interest	-	-	145,487
Capital outlay	-	-	-
	<u>11,724,765</u>	<u>4,786,325</u>	<u>520,487</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>2,043,252</u>	<u>242,025</u>	<u>(504,871)</u>
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	24,707	-	-
Transfers in	-	-	508,487
Transfers out	(685,230)	(305,124)	-
	<u>(660,523)</u>	<u>(305,124)</u>	<u>508,487</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	1,382,729	(63,099)	3,616
FUND BALANCES (DEFICITS)			
Beginning of Year	15,550,269	2,919,054	386,650
End of Year	<u>\$ 16,932,998</u>	<u>\$ 2,855,955</u>	<u>\$ 390,266</u>

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

Special Purpose	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 1,519,021	\$ 8,399,789
-	-	-	541,774
-	-	-	6,468,431
-	-	1,470,905	2,096,323
-	-	-	134,918
171,893	-	124,325	1,293,398
-	-	-	394,216
-	-	-	150,593
-	-	3,928	104,000
-	-	121,403	228,903
-	6,991	17,559	2,017,514
-	-	-	54,053
142,846	-	5,018	511,960
<u>314,739</u>	<u>6,991</u>	<u>3,262,159</u>	<u>22,395,872</u>
-	-	-	3,716,692
-	-	-	1,747,043
-	-	-	647,769
-	-	21,088	4,225,251
-	-	-	637,586
19,167	-	922,715	2,559,235
-	-	1,466,690	1,705,096
-	-	564,490	4,266,568
-	-	-	375,000
-	-	-	145,487
-	1,234,939	-	1,234,939
<u>19,167</u>	<u>1,234,939</u>	<u>2,974,983</u>	<u>21,260,666</u>
<u>295,572</u>	<u>(1,227,948)</u>	<u>287,176</u>	<u>1,135,206</u>
-	-	-	24,707
-	1,193,466	-	1,701,953
(27,123)	-	(684,476)	(1,701,953)
<u>(27,123)</u>	<u>1,193,466</u>	<u>(684,476)</u>	<u>24,707</u>
268,449	(34,482)	(397,300)	1,159,913
<u>4,139,206</u>	<u>(11,756)</u>	<u>3,410,817</u>	<u>26,394,240</u>
<u>\$ 4,407,655</u>	<u>\$ (46,238)</u>	<u>\$ 3,013,517</u>	<u>\$ 27,554,153</u>

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Town of Somers, 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, 2025

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,159,913</u>
<p>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.</p>	
Capital outlay expenditures	3,032,981
Depreciation expense	(2,231,547)
Equity interest in joint venture	<u>99,518</u>
	<u>900,952</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>263,102</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond 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.</p>	
Principal paid on general obligation bonds	<u>375,000</u>
<p>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.</p>	
Accrued interest	2,394
Changes in pension liabilities and related deferred outflows and inflows of resources	215,512
Compensated absences	(17,792)
Claims payable	(59,984)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	491,076
Amortization of loss on refunding bonds and issuance premium	<u>52,428</u>
	<u>683,634</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,382,601</u></u>

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

Town of Somers, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2025

	General			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,019,963	\$ 3,019,963	\$ 3,023,620	\$ 3,657
Other tax items	242,784	242,784	541,774	298,990
Non-property taxes	5,937,386	5,937,386	6,468,431	531,045
Departmental income	404,780	404,780	625,418	220,638
Intergovernmental charges	45,215	45,215	62,980	17,765
Use of money and property	577,000	577,000	863,556	286,556
Licenses and permits	345,000	345,000	394,216	49,216
Fines and forfeitures	130,000	130,000	150,593	20,593
Sale of property and compensation for loss	-	-	24,558	24,558
Interfund revenues	61,952	61,952	107,500	45,548
State aid	825,185	825,185	1,104,060	278,875
Federal aid	57,536	57,536	54,053	(3,483)
Miscellaneous	51,731	51,731	347,258	295,527
Total Revenues	11,698,532	11,698,532	13,768,017	2,069,485
EXPENDITURES				
Current				
General government support	3,329,640	3,716,704	3,716,692	12
Public safety	1,810,080	1,747,046	1,747,043	3
Health	645,523	647,770	647,769	1
Transportation	411,781	410,396	410,393	3
Economic opportunity and development	647,879	637,587	637,586	1
Culture and recreation	1,405,422	1,617,357	1,617,353	4
Home and community services	170,728	238,409	238,406	3
Employee benefits	2,924,874	2,709,528	2,709,523	5
Total Expenditures	11,345,927	11,724,797	11,724,765	32
Excess (Deficiency) of Revenues Over Expenditures	352,605	(26,265)	2,043,252	2,069,517
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	24,707	24,707
Transfers out	(583,363)	(685,231)	(685,230)	1
Total Other Financing Uses	(583,363)	(685,231)	(660,523)	24,708
Net Change in Fund Balances	(230,758)	(711,496)	1,382,729	2,094,225
FUND BALANCES				
Beginning of Year	230,758	711,496	15,550,269	14,838,773
End of Year	\$ -	\$ -	\$ 16,932,998	\$ 16,932,998

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

Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,857,148	\$ 3,857,148	\$ 3,857,148	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
90,000	90,000	71,938	(18,062)
40,000	118,008	118,008	-
-	-	-	-
-	-	-	-
3,000	73,788	75,514	1,726
500	500	-	(500)
508,000	888,903	888,904	1
-	-	-	-
-	-	16,838	16,838
<u>4,498,648</u>	<u>5,028,347</u>	<u>5,028,350</u>	<u>3</u>
-	-	-	-
-	-	-	-
-	-	-	-
3,108,024	3,793,773	3,793,770	3
-	-	-	-
-	-	-	-
-	-	-	-
1,131,500	992,558	992,555	3
<u>4,239,524</u>	<u>4,786,331</u>	<u>4,786,325</u>	<u>6</u>
259,124	242,016	242,025	9
-	-	-	-
<u>(305,124)</u>	<u>(305,124)</u>	<u>(305,124)</u>	<u>-</u>
<u>(305,124)</u>	<u>(305,124)</u>	<u>(305,124)</u>	<u>-</u>
(46,000)	(63,108)	(63,099)	9
46,000	63,108	2,919,054	2,855,946
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855,955</u>	<u>\$ 2,855,955</u>

Town of Somers, New York

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 14,782,541
Real property taxes receivable for other governments	<u>27,576,069</u>
Total Assets	<u>\$ 42,358,610</u>
LIABILITIES	
Due to other governments	<u>\$ 42,358,610</u>

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

Town of Somers, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 108,300,448
DEDUCTIONS	
Payments of real property taxes to other governments	<u>108,300,448</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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Town of Somers, New York

Notes to Financial Statements
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The Town of Somers, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town 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 Town have been prepared in accordance 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 Town's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town 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 Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town'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 blended component unit is included in the Town's reporting entity because of its operational or financial relationship with the Town. Blended component units, through legally separate entities, are in substance, part of the Town's operations. The blended component unit serves or benefits the Town almost exclusively. Financial information from this component unit is combined with that of the Town. The following represents the Town's blended component unit.

The Somers Library ("Library") was granted charter by the University of the State of New York. Although the Library is a separate legal entity, the Town appoints Library trustees, approves the budget, raises taxes and finances the Library's operations through real property taxes, has title to real property used by the Library and issues all Library indebtedness which is supported by the full faith and credit of the Town.

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 Town 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 Statement of Net Position presents the financial position of the Town 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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

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 Town does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental 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 Town 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, fund balances, revenues and expenditures. 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 Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds 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 Town'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 Town's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

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

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes and state aid.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance grantor or contributor stipulations.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of 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.

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.

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

Special Revenue Funds:

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

Special Districts Fund - The Special Districts Fund is used to account for the operation and maintenance of the Town's water, sewer and street lighting districts.

Permanent Fund - The Permanent Fund is used to account for assets held by the Town in accordance with grantor or contributor stipulations where the principal amount cannot be expended.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town 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 are the Fiduciary funds. 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.

Note 1 - Summary of Significant Accounting Policies

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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 Town's deposit and investment policies are governed by State statutes. The Town 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 Town 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 Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The Town participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The Town's position in the pool at December 31, 2025 of \$14,534,458 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

The Town is also invested in Treasury bills in the amount of \$7,064,246, purchased in September 2025 and maturing in September, 2026, measured using level 2 inputs.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town 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 Town 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 Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposits and Investment Risk Disclosures – 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 Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025.

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 Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

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 Town'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. The Town collects county, town, highway and special districts taxes, which are due April 1st and payable without penalty to April 30th. School districts taxes are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County of Westchester, New York ("County") and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town 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, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must 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 Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town 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, 2025, 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 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.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Investment in Joint Venture - The investment in joint venture represents the Town's equity interest in the Northern Westchester Joint Water Works.

Capital Assets - Capital assets, which include property, plant, 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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town 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 and equipment of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

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 funds balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or grants received 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 Town has reported unearned revenues of \$526,000 fees received in advance, \$8,200 for NYSERDA grant received in

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

advance, \$10,000 in donations and \$21,464 for related interest earned in the General Fund, \$94,454 for grants and deposits received in advance in the Capital Projects Fund and \$189,168 for a NYS construction grant received in advance in the Library Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Town has reported deferred inflows of resources of \$1,249,161 in the General Fund for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3F.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term liabilities 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 the 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 Fund expenditures.

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Town's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

probable, and the salary related payments are directly and incrementally associated with payments for the leave. The Town utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

Net Pension Liability (Asset) - The net pension liability represents the Town's proportionate share of the net pension liability (asset) of the New York State and Local Employees' 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 Town 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*".

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 and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for property damage, unemployment benefits, debt service, special purpose and parklands.

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

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 Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town 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 Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance 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 the 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 Town's policy to use restricted amounts first and then unrestricted amounts as they

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

are needed. For unrestricted amounts of fund balance, it is the Town'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, Highway and certain non-major funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 4, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 2 - Stewardship, Compliance and Accountability

- e) On before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Debt Service, Public Library and Special Districts funds.
- i) Budgets for General, Highway, Public Library, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purpose 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.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in General, Highway, Public Library, Special Districts 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 Town Board.

B. Property Tax Limitation

Under New York State Town Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State 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 Town 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 two percent or the "Inflation Factor" provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 2 - Stewardship, Compliance and Accountability

percentage change in the twelve month average National Consumer Price Indexes determined by the United States Department of Labor calculated six months before the start of the new fiscal year.

The Town 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 Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Capital Projects Fund Project Deficits

The State Police Barracks capital project has a deficit balance of \$46,238 at December 31, 2025. This deficit arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt or issuance of authorized financing.

D. New Accounting Pronouncement

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the Town's fiscal year ended December 31, 2025. Management has determined that no events have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2025 consisted of the following:

Town and County taxes - Current	\$	187,514
Tax liens		1,212,156
Property acquired for taxes		<u>898,472</u>
		2,298,142
Allowance for uncollectible taxes		<u>(993,109)</u>
	\$	<u>1,305,033</u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,249,161 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2025 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 61,878	\$ 191,438
Highway	101,738	8,058
Special Purpose	-	9,028
Capital Projects	60,287	53,229
Non-Major Governmental	43,238	5,388
	<u>\$ 267,141</u>	<u>\$ 267,141</u>

The outstanding balances between funds results 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.

C. Investment in Joint Venture

The Town, together with the Town of Yorktown, New York, the Town of Cortlandt, New York and the Montrose Improvement District, New York, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 6%.

The following is an audited summary of financial information included in the financial statements of the joint venture.

Total Assets	\$ 28,498,739
Deferred Outflows of Resources	2,912,311
Total Liabilities	12,874,666
Deferred Inflows of Resources	3,434,572
Total Equity	15,101,812
Total Operating Revenues	14,629,538
Total Non-Operating Revenues (Expenses)	220,278
Total Expenses	13,191,191

Complete separate financial statements may be obtained at the Northern Westchester Joint Water Works, 2065 East Main Street, Cortlandt Manor, New York 10567.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital Assets, not being depreciated:				
Land	\$ 5,881,179	\$ -	\$ -	\$ 5,881,179
Construction in progress	4,344,396	1,280,440	822,268	4,802,568
	<u>\$ 10,225,575</u>	<u>\$ 1,280,440</u>	<u>\$ 822,268</u>	<u>\$ 10,683,747</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 18,738,787	\$ 779,996	\$ -	\$ 19,518,783
Machinery and equipment	7,874,195	988,341	654,894	8,207,642
Infrastructure	29,972,446	806,472	179,259	30,599,659
	<u>56,585,428</u>	<u>2,574,809</u>	<u>834,153</u>	<u>58,326,084</u>
Total Capital Assets, being depreciated				
Less Accumulated Depreciation for:				
Buildings and improvements	8,463,270	816,187	-	9,279,457
Machinery and equipment	5,090,263	955,909	654,894	5,391,278
Infrastructure	24,753,923	459,451	179,259	25,034,115
	<u>38,307,456</u>	<u>2,231,547</u>	<u>834,153</u>	<u>39,704,850</u>
Total Accumulated Depreciation				
Total Capital Assets, being depreciated, net	<u>\$ 18,277,972</u>	<u>\$ 343,262</u>	<u>\$ -</u>	<u>\$ 18,621,234</u>
Capital Assets, net	<u>\$ 28,503,547</u>	<u>\$ 1,623,702</u>	<u>\$ 822,268</u>	<u>\$ 29,304,981</u>

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	\$ 61,482
Public Safety	137,165
Transportation	1,073,040
Economic Opportunity and Development	38,807
Culture and Recreation	208,773
Home and Community Services	<u>712,280</u>
Total Depreciation Expense	<u>\$ 2,231,547</u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

E. Accrued Liabilities

Accrued liabilities at December 31, 2025 were as follows:

	Fund			Total
	General	Highway	Non-Major Governmental	
Payroll and Employee Benefits	\$ 154,561	\$ 137,988	\$ 50,742	\$ 343,291

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2025:

	Balance January 1, 2025	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2025	Due Within One Year
General Obligation Bonds Payable:					
Capital Construction	\$ 3,960,000	\$ -	\$ 375,000	\$ 3,585,000	\$ 400,000
Plus					
Unamortized premium on bonds	390,720	-	58,675	332,045	-
	<u>4,350,720</u>	<u>-</u>	<u>433,675</u>	<u>3,917,045</u>	<u>400,000</u>
Other Non-current Liabilities:					
Compensated Absences	277,057	17,792	-	294,849 *	29,000
Claims payable	772,663	59,984	-	832,647	-
Net Pension Liability-ERS	2,141,602	374,374	-	2,515,976	-
Other Post Employment Benefit Liability	<u>24,448,615</u>	<u>2,628,927</u>	<u>1,511,462</u>	<u>25,566,080</u>	<u>1,100,000</u>
Total Other Non-current Liabilities	<u>27,639,937</u>	<u>3,081,077</u>	<u>1,511,462</u>	<u>29,209,552</u>	<u>1,129,000</u>
Total Long-Term Liabilities	<u>\$ 31,990,657</u>	<u>\$ 3,081,077</u>	<u>\$ 1,945,137</u>	<u>\$ 33,126,597</u>	<u>\$ 1,529,000</u>

* The change in compensated absences liability is presented as a net change.

Each governmental fund's liability for compensated absences, net pension liability and other postemployment benefit liability is liquidated by the General, Highway and Special Districts funds. The Town's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General, Highway and Special Districts funds.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2025 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2025
Refunding Bonds	2015	\$ 3,300,000	05/2036	2.50 - 3.25	\$ 1,955,000
Public Improvement Bonds	2021	2,435,000	05/2031	5.00	1,630,000
					<u>\$ 3,585,000</u>

Interest expenditures of \$145,487 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$90,665 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2025, including interest payments of \$596,715 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	\$ 400,000	\$ 130,269	\$ 530,269
2027	405,000	113,984	518,984
2028	425,000	96,875	521,875
2029	445,000	78,781	523,781
2030	465,000	59,856	524,856
2031-2035	1,245,000	113,700	1,358,700
2036	200,000	3,250	203,250
	<u>\$ 3,585,000</u>	<u>\$ 596,715</u>	<u>\$ 4,181,715</u>

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2025 that amount was \$326,962,623. As of December 31, 2025 the total outstanding debt applicable to the limit was \$3,585,000, which is 1.10% of the total debt limit.

Compensated Absences

Civil service employees may accumulate and carryover up to ten vacation days. Upon separation from service, employees will be compensated for unused leave. Employees may accumulate unused sick leave, however, upon separation of service, they are not compensated for this leave. The Town has determined that the potential liability for compensated absences as of December 31, 2025 was \$294,849. The value of all compensated absences has been recorded in the government-wide financial statements.

Claims Payable

Claims payable as of December 31, 2025 reflects a liability of \$832,647 for expected tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town 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 plan 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 Town 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.

Employees who joined ERS before January 1, 2010 contribute 3% of their salary for the first ten years of membership while those who joined on or after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Employees who joined

Town of Somers, New York

Notes to Financial Statements (Continued)
 December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

PFRS before June 30, 2009 are not required to contribute while those who joined on or after July 1, 2009 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 ERS plan year ended March 31, 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	17.6 %
	4 A15	17.6
	5 A15	15.2
	6 A15	11.2

At December 31, 2025, the Town reported the following for its proportionate share of the net pension liability for ERS.

	<u>ERS</u>
Measurement date	March 31, 2025
Net pension liability	\$ 2,515,976
Town's proportion of the net pension liability	0.0146741 %
Change in proportion since the prior measurement date	0.0001292 %

The Town has no pensionable wages and no net pension liability for PFRS as of March 31, 2025.

The net pension liability was measured as of March 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town'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, 2025, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$656,270 for ERS and \$1,106 for PFRS. Pension expenditures of \$872,888 for ERS and \$0 for PFRS were recorded in the fund financial statements and were charged to the following funds.

	<u>ERS</u>	<u>PFRS</u>
General	\$ 540,718	\$ -
Highway	206,529	-
Special Districts	47,402	-
Library	<u>78,239</u>	<u>-</u>
Total	<u>\$ 872,888</u>	<u>\$ -</u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2025, the Town reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 624,482	\$ 29,457	\$ -	\$ -
Changes of assumptions	105,515	-	-	-
Net difference between projected and actual earnings on pension plan investments	197,396	-	-	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	212,464	-	7,529	9,119
Town contributions subsequent to the measurement date	675,380	-	-	-
	\$ 1,815,237	\$ 29,457	\$ 7,529	\$ 9,119
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 624,482	\$ 29,457		
Changes of assumptions	105,515	-		
Net difference between projected and actual earnings on pension plan investments	197,396	-		
Changes in proportion and differences between Town contributions and proportionate share of contributions	219,993	9,119		
Town contributions subsequent to the measurement date	675,380	-		
	\$ 1,822,766	\$ 38,576		

\$675,380 reported as deferred outflows of resources related to ERS resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2026	\$ 515,530	\$ (119)
2027	708,153	(1,016)
2028	(160,181)	(455)
2029	46,898	-
2030	-	-
	\$ 1,110,400	\$ (1,590)

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2025	March 31, 2025
Actuarial valuation date	April 1, 2024	April 1, 2024
Investment rate of return	5.9%	5.9%
Salary scale	4.3%	6.0%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

*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-2021.

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

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25 %	3.54 %
International Equity	14	6.57
Private Equity	15	7.25
Real Estate	12	4.95
Opportunistic / ARS Portfolio	3	5.25
Credit	4	5.40
Real Assets	4	5.55
Fixed Income	22	2.00
Cash	1	0.25
	<u>100 %</u>	

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

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 Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Town'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%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 7,281,552</u>	<u>\$ 2,515,976</u>	<u>\$ (1,463,283)</u>

The components of the collective net pension liability (asset) as of the March 31, 2025 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 247,600,239,000	\$ 48,718,477,000	\$ 296,318,716,000
Fiduciary net position	<u>230,454,512,000</u>	<u>42,641,620,000</u>	<u>273,096,132,000</u>
Employers' net pension liability (asset)	<u>\$ 17,145,727,000</u>	<u>\$ 6,076,857,000</u>	<u>\$ 23,222,584,000</u>
Fiduciary net position as a percentage of total pension liability	<u>93.08%</u>	<u>87.53%</u>	<u>92.16%</u>

Employer contributions to ERS 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, 2025 represent the employer contribution for the period of April 1, 2025 through December 31, 2025 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2025 were \$675,380.

Voluntary Defined Contribution Plan

The Town 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 Town will contribute 8%. Employer contributions vest after 366 days of service. An employee of the Town is participating in this program and employer contributions of \$11,243 as of December 31, 2025 were recorded in the General Fund.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the Town 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 Town may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. 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, 2025, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	71
Active employees	<u>81</u>
	<u>152</u>

The Town’s total OPEB liability of \$25,566,080 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025.

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.43%
Healthcare cost trend rates	7.0% for 2025, decreasing by up to .5% per year to an ultimate rate of 4.5% for 2035
Retirees' share of benefit-related costs	Generally, the retiree will contribute 30%

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index.

Mortality rates were based on the sex-distinct weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy annuitants with Scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the January 1, 2025 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2015 to March 31, 2020 experience study.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The Town's change in the total OPEB liability for the year ended December 31, 2025 is as follows:

Total OPEB Liability - Beginning of Year	\$ 24,448,615
Service cost	681,252
Interest	1,052,428
Differences between expected and actual experience	895,247
Changes in assumptions or other inputs	(430,601)
Benefit payments	<u>(1,080,861)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 25,566,080</u></u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current discount rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB Liability	<u>\$ 28,964,627</u>	<u>\$ 25,566,080</u>	<u>\$ 22,747,174</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 22,559,831</u>	<u>\$ 25,566,080</u>	<u>\$ 29,265,373</u>

For the year ended December 31, 2025, the Town recognized OPEB expense of \$589,785 in the government-wide financial statements. At December 31, 2025, the Town 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
Differences between expected and actual experience	\$ 1,728,768	\$ 803,790
Changes of assumptions or other inputs	<u>427,203</u>	<u>2,614,043</u>
	<u><u>\$ 2,155,971</u></u>	<u><u>\$ 3,417,833</u></u>

Town of Somers, New York

Notes to Financial Statements (Continued)
 December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended December 31,		
2026	\$	(1,048,070)
2027		125,023
2028		(431,745)
2029		92,930
2030		-
	<u>\$</u>	<u>(1,261,862)</u>

G. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	<u>Transfers In</u>		Total
	Debt Service Fund	Capital Projects Fund	
General Fund	\$ 203,363	\$ 481,867	\$ 685,230
Highway Fund	305,124	-	305,124
Special Purpose Fund	-	27,123	27,123
Special District	-	684,476	684,476
	<u>\$ 508,487</u>	<u>\$ 1,193,466</u>	<u>\$ 1,701,953</u>

Transfers are used to 1) move amounts to the Debt Service Fund from the operating funds as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for the Capital Projects Fund expenditures.

H. 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.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Property Damage - the component of net position that has been established to set aside funds to be used to self-insure the Town for its deductibles for annual property damage claims, pursuant to General Municipal Law.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York.

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

Restricted for Special Purposes - the component of net position that has been established to set aside funds in accordance with the terms of donor or grantor stipulations.

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

I. Fund Balances

	General Fund	Highway Fund	Debt Service Fund	Special Purpose Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable							
Prepaid expenditures	\$ 614,776	\$ 55,418	\$ -	\$ -	\$ -	\$ 32,134	\$ 702,328
Trust principal	-	-	-	-	-	284,878	284,878
Total Nonspendable	614,776	55,418	-	-	-	317,012	987,206
Restricted							
Debt service	-	-	390,266	-	-	-	390,266
Property damage	533,942	-	-	-	-	-	533,942
Unemployment benefits	-	-	-	-	-	20,200	20,200
Parklands	-	-	-	4,162,348	-	-	4,162,348
Trusts	-	-	-	245,307	-	59,277	304,584
Total Restricted	533,942	-	390,266	4,407,655	-	79,477	5,411,340
Assigned							
Subsequent year's expenditures	657,921	22,750	-	-	-	-	680,671
Subsequent year's expenditures - Library	-	-	-	-	-	10,000	10,000
Capital costs	9,700,000	-	-	-	-	-	9,700,000
Tax certiorari	2,500,000	-	-	-	-	-	2,500,000
Highway	-	2,777,787	-	-	-	-	2,777,787
Library	-	-	-	-	-	372,075	372,075
Special Districts	-	-	-	-	-	2,234,953	2,234,953
Total Assigned	12,857,921	2,800,537	-	-	-	2,617,028	18,275,486
Unassigned	2,926,359	-	-	-	(46,238)	-	2,880,121
Total Fund Balances	\$ 16,932,998	\$ 2,855,955	\$ 390,266	\$ 4,407,655	\$ (46,238)	\$ 3,013,517	\$ 27,554,153

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been provided to account for certain payments made in advance. The reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent year's expenditures represent that at December 31, 2025, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for Capital Costs - This has been established to fund future capital costs.

Assigned for Tax Certiorari - This has been established to set aside funds to meet anticipated judgments and claims arising out of tax certiorari proceedings.

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 deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town is the defendant in various actions, all of which are within the limits of the Town's insurance coverage. Counsel has indicated that the insurance companies are vigorously defending those claims and that there is adequate insurance to cover these contingencies.

B. Risk Management

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, public officials liability, commercial automobile and police professional liability policies each provide for coverage with an occurrence limit of \$1 million. The Town also maintains an excess liability policy with a limit of \$15 million occurrence over general liability, automobile, police professional and public officials liability. The Town purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town is self-insured for property damage as it relates to glass damage not covered by conventional insurance and deductibles for all private passenger type vehicles. The Town purchases health insurance from the New York State Health Insurance Program.

C. Contingencies

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

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Town of Somers, New York

Notes to Financial Statements (Concluded)
December 31, 2025

Note 5 - Recently Issued GASB Pronouncements

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

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

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

Town of Somers, New York

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

	2025	2024	2023	2022
Total OPEB Liability:				
Service cost	\$ 681,252	\$ 784,868	\$ 643,996	\$ 708,156
Interest	1,052,428	1,032,617	968,841	629,399
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	895,247	(1,339,650)	1,715,843	1,631,166
Changes of assumptions or other inputs	(430,601)	(1,283,720)	1,068,009	(7,496,650)
Benefit payments	(1,080,861)	(1,121,861)	(998,463)	(934,463)
Net Change in Total OPEB Liability	1,117,465	(1,927,746)	3,398,226	(5,462,392)
Total OPEB Liability – Beginning of Year	24,448,615	26,376,361	22,978,135	28,440,527
Total OPEB Liability – End of Year	<u>\$ 25,566,080</u>	<u>\$ 24,448,615</u>	<u>\$ 26,376,361</u>	<u>\$ 22,978,135</u>
Town's covered-employee payroll	<u>\$ 6,359,000</u>	<u>\$ 5,978,000</u>	<u>\$ 5,700,000</u>	<u>\$ 5,375,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>402.05%</u>	<u>408.98%</u>	<u>462.74%</u>	<u>427.50%</u>
Discount rate	<u>4.43%</u>	<u>4.28%</u>	<u>4.00%</u>	<u>4.31%</u>

(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.

See independent auditors' report.

2021	2020	2019	2018
\$ 713,001	\$ 548,991	\$ 526,573	\$ 569,296
542,793	767,641	867,990	922,889
-	-	-	-
601,824	(68,066)	(1,877,607)	(1,997,767)
(1,080,940)	4,272,068	1,159,742	-
(920,247)	(967,625)	(982,954)	(1,022,349)
(143,569)	4,553,009	(306,256)	(1,527,931)
28,584,096	24,031,087	24,337,343	25,865,274 (3)
<u>\$ 28,440,527</u>	<u>\$ 28,584,096</u>	<u>\$ 24,031,087</u>	<u>\$ 24,337,343</u>
<u>\$ 5,147,000</u>	<u>\$ 5,091,000</u>	<u>\$ 4,875,000</u>	<u>\$ 4,661,800</u>
<u>552.57%</u>	<u>561.46%</u>	<u>492.95%</u>	<u>522.06%</u>
<u>2.25%</u>	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

Town of Somers, New York

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

Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Town's proportion of the net pension liability (asset)	<u>0.0146741%</u>	<u>0.0145449%</u>	<u>0.0140148%</u>	<u>0.0139231%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 2,515,976</u>	<u>\$ 2,141,602</u>	<u>\$ 3,005,341</u>	<u>\$ (1,138,156)</u>
Town's covered payroll	<u>\$ 6,034,814</u>	<u>\$ 5,886,884</u>	<u>\$ 5,353,369</u>	<u>\$ 4,874,882</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>41.69%</u>	<u>36.38%</u>	<u>56.14%</u>	<u>-23.35%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 900,507	\$ 790,678	\$ 647,500	\$ 519,962
Contributions in relation to the contractually required contribution	<u>(900,507)</u>	<u>(790,678)</u>	<u>(647,500)</u>	<u>(519,962)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 6,192,672</u>	<u>\$ 5,733,840</u>	<u>\$ 5,590,452</u>	<u>\$ 5,104,729</u>
Contributions as a percentage of covered payroll	<u>14.54%</u>	<u>13.79%</u>	<u>11.58%</u>	<u>10.19%</u>

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

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

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

See independent auditors' report.

<u>2021 (3)</u>	<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0136017%</u>	<u>0.0129989%</u>	<u>0.0127043%</u>	<u>0.0131091%</u>	<u>0.0127720%</u>	<u>0.0121090%</u>
<u>\$ 13,544</u>	<u>\$ 3,442,172</u>	<u>\$ 900,135</u>	<u>\$ 423,090</u>	<u>\$ 1,200,082</u>	<u>\$ 1,943,528</u>
<u>\$ 4,687,149</u>	<u>\$ 4,408,754</u>	<u>\$ 4,172,929</u>	<u>\$ 4,143,362</u>	<u>\$ 4,035,219</u>	<u>\$ 3,891,006</u>
<u>0.29%</u>	<u>78.08%</u>	<u>21.57%</u>	<u>10.21%</u>	<u>29.74%</u>	<u>49.95%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 705,368</u>	<u>\$ 606,473</u>	<u>\$ 577,641</u>	<u>\$ 593,215</u>	<u>\$ 589,725</u>	<u>\$ 598,286</u>
<u>(705,368)</u>	<u>(606,473)</u>	<u>(577,641)</u>	<u>(593,215)</u>	<u>(589,725)</u>	<u>(598,286)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 4,819,400</u>	<u>\$ 4,606,001</u>	<u>\$ 4,408,320</u>	<u>\$ 4,124,797</u>	<u>\$ 4,104,413</u>	<u>\$ 3,969,835</u>
<u>14.64%</u>	<u>13.17%</u>	<u>13.10%</u>	<u>14.38%</u>	<u>14.37%</u>	<u>15.07%</u>

Town of Somers, New York

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

Schedule of the Town's Proportionate Share of the Net Pension Liability (1)

	2025 (4)	2024 (4)	2023 (4)	2022 (3)
Town's proportion of the net pension liability	<u>0.0000000%</u>	<u>0.0000000%</u>	<u>0.0000000%</u>	<u>0.0003489%</u>
Town's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,982</u>
Town's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,298</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>-%</u>	<u>-%</u>	<u>-%</u>	<u>12.96%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.53%</u>	<u>89.72%</u>	<u>87.43%</u>	<u>98.66%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ -	\$ -	\$ -	\$ 2,977
Contributions in relation to the contractually required contribution	-	-	-	(2,977)
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	<u>-%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>

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

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

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

(4) The Town has no covered payroll and no net pension liability associated with the plan.

See independent auditors' report.

<u>2021 (3)</u>	<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0011096%</u>	<u>0.0013026%</u>	<u>0.0014226%</u>	<u>0.0015378%</u>	<u>0.0013308%</u>	<u>0.0017036%</u>
<u>\$ 19,266</u>	<u>\$ 69,624</u>	<u>\$ 23,857</u>	<u>\$ 15,543</u>	<u>\$ 27,582</u>	<u>\$ 50,439</u>
<u>\$ 84,613</u>	<u>\$ 110,525</u>	<u>\$ 114,713</u>	<u>\$ 116,083</u>	<u>\$ 113,091</u>	<u>\$ 113,049</u>
<u>22.77%</u>	<u>62.99%</u>	<u>20.80%</u>	<u>13.39%</u>	<u>24.39%</u>	<u>44.62%</u>
<u>95.79%</u>	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 17,120</u>	<u>\$ 20,389</u>	<u>\$ 20,019</u>	<u>\$ 19,798</u>	<u>\$ 19,848</u>	<u>\$ 19,392</u>
<u>(17,120)</u>	<u>(20,389)</u>	<u>(20,019)</u>	<u>(19,798)</u>	<u>(19,848)</u>	<u>(19,392)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 26,805</u>	<u>\$ 102,359</u>	<u>\$ 116,074</u>	<u>\$ 113,671</u>	<u>\$ 115,419</u>	<u>\$ 110,340</u>
<u>63.87%</u>	<u>19.92%</u>	<u>17.25%</u>	<u>17.42%</u>	<u>17.20%</u>	<u>17.57%</u>

Town of Somers, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 3,019,963	\$ 3,019,963	\$ 3,023,620	\$ 3,657
OTHER TAX ITEMS				
Payments in lieu of taxes	10,784	10,784	10,784	-
Interest and penalties on real property taxes	232,000	232,000	530,990	298,990
	242,784	242,784	541,774	298,990
NON-PROPERTY TAXES				
Non-property tax distribution from County	5,494,386	5,494,386	6,037,780	543,394
Franchise fees - Cable TV	443,000	443,000	430,651	(12,349)
	5,937,386	5,937,386	6,468,431	531,045
DEPARTMENTAL INCOME				
Town Clerk fees	15,000	15,000	22,655	7,655
Engineering fees	40,000	40,000	39,540	(460)
Public safety fees	4,000	4,000	5,525	1,525
Parking lots and garages	330	330	-	(330)
Parks and recreation charges	288,800	288,800	397,702	108,902
Recreation concessions	7,650	7,650	7,650	-
Zoning fees	5,000	5,000	3,470	(1,530)
Planning Board fees	24,000	24,000	127,206	103,206
Vital statistics fees	14,500	14,500	17,670	3,170
Other	5,500	5,500	4,000	(1,500)
	404,780	404,780	625,418	220,638
INTERGOVERNMENTAL CHARGES				
Programs for the aging	45,215	45,215	62,980	17,765
USE OF MONEY AND PROPERTY				
Earnings on investments	558,000	558,000	845,976	287,976
Rental of real property	19,000	19,000	17,580	(1,420)
	577,000	577,000	863,556	286,556
LICENSES AND PERMITS				
Dog licenses	20,000	20,000	17,224	(2,776)
Building and alteration permits	325,000	325,000	376,992	51,992
	345,000	345,000	394,216	49,216
FINES AND FORFEITURES				
Fines and forfeited bail	130,000	130,000	150,593	20,593
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other sales	-	-	24,558	24,558

Town of Somers, New York

General Fund

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

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
INTERFUND REVENUES				
Services to other funds	\$ 61,952	\$ 61,952	\$ 107,500	\$ 45,548
STATE AID				
Mortgage tax	690,000	690,000	923,797	233,797
Programs for the aging	82,000	82,000	82,000	-
Aid and incentives for municipalities	53,185	53,185	53,185	-
Temporary municipal assistance	-	-	3,721	3,721
Other	-	-	41,357	41,357
	<u>825,185</u>	<u>825,185</u>	<u>1,104,060</u>	<u>278,875</u>
FEDERAL AID				
Programs for the aging	<u>57,536</u>	<u>57,536</u>	<u>54,053</u>	<u>(3,483)</u>
MISCELLANEOUS				
Gifts and donations	51,181	51,181	307,215	256,034
Refund of prior year expenditures	-	-	13,275	13,275
Other	<u>550</u>	<u>550</u>	<u>26,768</u>	<u>26,218</u>
	<u>51,731</u>	<u>51,731</u>	<u>347,258</u>	<u>295,527</u>
TOTAL REVENUES	<u>11,698,532</u>	<u>11,698,532</u>	<u>13,768,017</u>	<u>2,069,485</u>
OTHER FINANCING SOURCES				
Insurance recoveries	<u>-</u>	<u>-</u>	<u>24,707</u>	<u>24,707</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 11,698,532</u>	<u>\$ 11,698,532</u>	<u>\$ 13,792,724</u>	<u>\$ 2,094,192</u>

See independent auditors' report.

Town of Somers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
SUPPORT				
Town Board	\$ 118,556	\$ 275,913	\$ 275,912	\$ 1
Town Justice	300,702	317,042	317,040	2
Supervisor	337,272	339,923	339,923	-
Finance	400,565	398,894	398,894	-
Auditor	58,380	59,565	59,565	-
Tax collection	173,835	173,546	173,545	1
Assessment	269,823	237,054	237,051	3
Town Clerk	186,543	185,505	185,505	-
Town Attorney	251,957	301,606	301,606	-
Engineer	188,665	191,360	191,360	-
Elections	41,529	39,390	39,390	-
Records management	24,308	19,664	19,664	-
Central services				
Operation of plant/buildings	243,658	421,568	421,568	-
Central supply	36,074	36,265	36,264	1
Central storeroom	500	24	24	-
Central printing and mailing	30,000	38,539	38,539	-
Central data processing	189,576	148,280	148,280	-
Special items				
Unallocated insurance	380,000	450,305	450,305	-
Municipal association dues	4,200	7,445	7,445	-
Judgments and claims	5,000	-	-	-
Easements	3	3	-	3
Taxes and assessments on property	53,500	58,657	58,657	-
Metropolitan commuter transportation mobility tax	14,994	16,156	16,155	1
Contingency	20,000	-	-	-
	<u>3,329,640</u>	<u>3,716,704</u>	<u>3,716,692</u>	<u>12</u>
PUBLIC SAFETY				
Police	1,165,460	1,086,297	1,086,297	-
Traffic control	36,000	48,445	48,445	-
Control of dogs	24,600	21,855	21,855	-
Fire protection	40,141	36,183	36,182	1
Safety inspection	543,879	554,266	554,264	2
	<u>1,810,080</u>	<u>1,747,046</u>	<u>1,747,043</u>	<u>3</u>

Town of Somers, New York

General Fund

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

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
HEALTH				
Registrar of Vital Statistics	\$ 15,100	\$ 18,340	\$ 18,339	\$ 1
Drug abuse prevention	3,000	3,007	3,007	-
Northern Westchester Guidance	4,000	3,000	3,000	-
Advanced life support	623,423	623,423	623,423	-
	<u>645,523</u>	<u>647,770</u>	<u>647,769</u>	<u>1</u>
TRANSPORTATION				
Highway administration	346,481	347,475	347,475	-
Highway garage	62,300	59,818	59,815	3
Street lighting	3,000	3,103	3,103	-
	<u>411,781</u>	<u>410,396</u>	<u>410,393</u>	<u>3</u>
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Publicity	37,200	37,853	37,852	1
Veterans' services	5,000	5,556	5,556	-
Senior transportation	169,950	136,395	136,395	-
Programs for the aging				
Nutrition	37,300	42,634	42,634	-
S.N.A.P.	398,429	415,149	415,149	-
	<u>647,879</u>	<u>637,587</u>	<u>637,586</u>	<u>1</u>
CULTURE AND RECREATION				
Recreation administration	337,182	345,680	345,679	1
Parks	718,530	920,020	920,020	-
Recreation centers	73,800	51,588	51,587	1
Youth programs	207,500	195,234	195,234	-
Historian	3,410	3,173	3,172	1
Historical property	40,000	80,297	80,296	1
Celebrations	25,000	21,365	21,365	-
	<u>1,405,422</u>	<u>1,617,357</u>	<u>1,617,353</u>	<u>4</u>

Town of Somers, New York

General Fund

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

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
HOME AND COMMUNITY SERVICES				
Zoning	\$ 5,984	\$ 5,962	\$ 5,961	\$ 1
Planning	140,152	194,105	194,104	1
Refuse and garbage	22,500	36,109	36,109	-
Land trust	500	634	634	-
Architectural review board	1,592	1,599	1,598	1
	<u>170,728</u>	<u>238,409</u>	<u>238,406</u>	<u>3</u>
EMPLOYEE BENEFITS				
State retirement	580,000	540,718	540,718	-
Voluntary defined contribution plan	10,874	11,244	11,243	1
Social security	346,000	369,144	369,143	1
Workers' compensation benefits	75,000	32,088	32,087	1
Life insurance	25,500	23,827	23,826	1
Unemployment benefits	7,500	-	-	-
Health insurance	1,800,000	1,653,650	1,653,650	-
Dental insurance	75,000	74,115	74,114	1
Optical insurance	5,000	4,742	4,742	-
	<u>2,924,874</u>	<u>2,709,528</u>	<u>2,709,523</u>	<u>5</u>
TOTAL EXPENDITURES	<u>11,345,927</u>	<u>11,724,797</u>	<u>11,724,765</u>	<u>32</u>
OTHER FINANCING USES				
Transfers out				
Debt Service Fund	203,363	203,363	203,363	-
Capital Projects Fund	380,000	481,868	481,867	1
	<u>583,363</u>	<u>685,231</u>	<u>685,230</u>	<u>1</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 11,929,290</u>	<u>\$ 12,410,028</u>	<u>\$ 12,409,995</u>	<u>\$ 33</u>

See independent auditors' report.

Town of Somers, New York

Debt Service Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of money and property	\$ 12,000	\$ 12,000	\$ 15,616	\$ 3,616
EXPENDITURES				
Current				
Debt service				
Serial bonds				
Principal	375,000	375,000	375,000	-
Interest	145,487	145,487	145,487	-
Total Expenditures	520,487	520,487	520,487	-
Deficiency of Revenues Over Expenditures	(508,487)	(508,487)	(504,871)	3,616
OTHER FINANCING SOURCES				
Transfers in	508,487	508,487	508,487	-
Net Change in Fund Balance	-	-	3,616	3,616
FUND BALANCE				
Beginning of Year	-	-	386,650	386,650
End of Year	\$ -	\$ -	\$ 390,266	\$ 390,266

See independent auditors' report.

Town of Somers, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through December 31, 2025

Project Name	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
Reynolds House Angle Fly Preserve	\$ 216,338	\$ 216,281	\$ 57
Angle Fly Building Assessment	32,337	25,705	6,632
Town House Water Project	97,600	97,593	7
Water Loop - Somers Realty	1,329,879	1,296,828	33,051
Water Loop - Kearney	2,461,844	2,385,788	76,056
Route 202 Crosswalk	350,844	337,633	13,211
State Police Barracks	430,000	46,238	383,762
Library Teen Room	39,681	35,354	4,327
Police Generator	89,431	57,921	31,510
Reis Park Expansion	189,100	189,040	60
Reynold's House - Green Space	35,000	2,006	32,994
CWD Parkway Drive Connection	30,500	16,200	14,300
CWD Ross Dr Water Tank Recoating	704,534	704,534	-
Police Barn Renovation	27,300	18,988	8,312
Electric Vehicle Project	100,000	6,991	93,009
Town House Rehabilitation	563,000	560	562,440
Library HVAC	22,000	11,000	11,000
Totals	\$ 6,719,388	\$ 5,448,660	\$ 1,270,728

See independent auditors' report.

Total Revenues and Transfers	Fund Balance (Deficit) at December 31, 2025
\$ 216,281	\$ -
25,705	-
97,593	-
1,296,828	-
2,385,788	-
337,633	-
-	(46,238)
35,354	-
57,921	-
189,040	-
2,006	-
16,200	-
704,534	-
18,988	-
6,991	-
560	-
11,000	-
<u>\$ 5,402,422</u>	<u>\$ (46,238)</u>

Town of Somers, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2025

	Public Library	Special Districts	Permanent	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 300,365	\$ 351,295	\$ -	\$ 651,660
Investments	327,380	1,576,937	344,155	2,248,472
Receivables				
Water and sewer rents	-	450,411	-	450,411
Accounts receivable	-	3,520	-	3,520
Due from other funds	27,448	15,790	-	43,238
	27,448	469,721	-	497,169
Prepaid expenditures	19,664	12,470	-	32,134
Total Assets	<u>\$ 674,857</u>	<u>\$ 2,410,423</u>	<u>\$ 344,155</u>	<u>\$ 3,429,435</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 27,071	\$ 143,549	\$ -	\$ 170,620
Accrued liabilities	36,571	14,171	-	50,742
Due to other funds	108	5,280	-	5,388
Unearned revenue	189,168	-	-	189,168
Total Liabilities	252,918	163,000	-	415,918
Fund balances				
Nonspendable	19,664	12,470	284,878	317,012
Restricted	20,200	-	59,277	79,477
Assigned	382,075	2,234,953	-	2,617,028
Total Fund Balances	421,939	2,247,423	344,155	3,013,517
Total Liabilities and Fund Balances	<u>\$ 674,857</u>	<u>\$ 2,410,423</u>	<u>\$ 344,155</u>	<u>\$ 3,429,435</u>

See independent auditors' report.

Town of Somers, New York

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2025

	Public Library	Special Districts	Permanent	Total Non-Major Governmental Funds
REVENUES				
Real property taxes	\$ 1,199,901	\$ 319,120	\$ -	\$ 1,519,021
Departmental income	3,549	1,467,356	-	1,470,905
Use of money and property	28,162	82,423	13,740	124,325
Sale of property and compensation for loss	-	3,928	-	3,928
Interfund revenues	-	121,403	-	121,403
State aid	17,559	-	-	17,559
Miscellaneous	1,453	3,565	-	5,018
Total Revenues	1,250,624	1,997,795	13,740	3,262,159
EXPENDITURES				
Current				
Transportation	-	21,088	-	21,088
Culture and recreation	922,715	-	-	922,715
Home and community services	-	1,466,690	-	1,466,690
Employee benefits	347,466	217,024	-	564,490
Total Expenditures	1,270,181	1,704,802	-	2,974,983
Excess (Deficiency) of Revenues Over Expenditures	(19,557)	292,993	13,740	287,176
OTHER FINANCING USES				
Transfers out	-	(684,476)	-	(684,476)
Net Change in Fund Balances	(19,557)	(391,483)	13,740	(397,300)
FUND BALANCES				
Beginning of Year	441,496	2,638,906	330,415	3,410,817
End of Year	\$ 421,939	\$ 2,247,423	\$ 344,155	\$ 3,013,517

See independent auditors' report.

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Town of Somers, New York

Public Library Fund
 Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 1,199,901	\$ 1,199,901	\$ 1,199,901	\$ -
Departmental income	5,000	5,000	3,549	(1,451)
Use of money and property	11,000	11,000	28,162	17,162
State aid	5,500	5,500	17,559	12,059
Miscellaneous	700	700	1,453	753
Total Revenues	<u>1,222,101</u>	<u>1,222,101</u>	<u>1,250,624</u>	<u>28,523</u>
EXPENDITURES				
Current				
Culture and recreation	939,670	928,634	922,715	5,919
Employee benefits	353,100	364,136	347,466	16,670
Total Expenditures	<u>1,292,770</u>	<u>1,292,770</u>	<u>1,270,181</u>	<u>22,589</u>
Excess (Deficiency) of Revenues Over Expenditures	(70,669)	(70,669)	(19,557)	51,112
FUND BALANCE				
Beginning of Year	<u>70,669</u>	<u>70,669</u>	<u>441,496</u>	<u>370,827</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,939</u>	<u>\$ 421,939</u>

See independent auditors' report.

Town of Somers, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2025

	Water Districts		Sewer District
	No. 1 - Somers Consolidated Water District	No. 2 - Percy Mullen	No. 1
ASSETS			
Cash and equivalents	\$ 229,096	\$ 5,095	\$ 79,046
Investments	1,264,745	-	312,192
Receivables			
Water and sewer rents	383,747	-	66,664
Accounts receivable	3,520	-	-
Due from other funds	15,790	-	-
	403,057	-	66,664
Prepaid expenditures	12,470	-	-
Total Assets	<u>\$ 1,909,368</u>	<u>\$ 5,095</u>	<u>\$ 457,902</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 136,342	\$ -	\$ 5,340
Accrued liabilities	14,171	-	-
Due to other funds	483	-	4,797
Total Liabilities	150,996	-	10,137
Fund balances			
Nonspendable	12,470	-	-
Assigned	1,745,902	5,095	447,765
Total Fund Balances	1,758,372	5,095	447,765
Total Liabilities and Fund Balances	<u>\$ 1,909,368</u>	<u>\$ 5,095</u>	<u>\$ 457,902</u>

See independent auditors' report.

Street Lighting
Districts

No. 1 - Croton Falls	No. 2 - Shenorock	Totals
\$ 6,208	\$ 31,850	\$ 351,295
-	-	1,576,937
-	-	450,411
-	-	3,520
-	-	15,790
-	-	469,721
-	-	12,470
<u>\$ 6,208</u>	<u>\$ 31,850</u>	<u>\$ 2,410,423</u>
\$ 138	\$ 1,729	\$ 143,549
-	-	14,171
-	-	5,280
138	1,729	163,000
-	-	12,470
6,070	30,121	2,234,953
6,070	30,121	2,247,423
<u>\$ 6,208</u>	<u>\$ 31,850</u>	<u>\$ 2,410,423</u>

Town of Somers, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2025

	Water Districts		Sewer District
	No. 1 - Somers Consolidated Water District	No. 2 - Percy Mullen	No. 1
REVENUES			
Real property taxes	\$ 223,170	\$ -	\$ 75,000
Departmental income	1,230,788	-	236,568
Use of money and property	69,603	40	12,463
Sale of property and compensation for loss	3,928	-	-
Interfund revenues	121,403	-	-
Miscellaneous	3,565	-	-
Total Revenues	1,652,457	40	324,031
EXPENDITURES			
Current			
Transportation	-	-	-
Home and community services	1,223,389	-	243,301
Employee benefits	217,024	-	-
Total Expenditures	1,440,413	-	243,301
Excess (Deficiency) of Revenues Over Expenditures	212,044	40	80,730
OTHER FINANCING USES			
Transfers out	(684,476)	-	-
Net Change in Fund Balances	(472,432)	40	80,730
FUND BALANCES			
Beginning of Year	2,230,804	5,055	367,035
End of Year	<u>\$ 1,758,372</u>	<u>\$ 5,095</u>	<u>\$ 447,765</u>

See independent auditors' report.

Street Lighting Districts		
No. 1 - Croton Falls	No. 2 - Shenorock	Totals
\$ 1,450	\$ 19,500	\$ 319,120
-	-	1,467,356
51	266	82,423
-	-	3,928
-	-	121,403
-	-	3,565
<u>1,501</u>	<u>19,766</u>	<u>1,997,795</u>
1,561	19,527	21,088
-	-	1,466,690
-	-	217,024
<u>1,561</u>	<u>19,527</u>	<u>1,704,802</u>
(60)	239	292,993
-	-	(684,476)
(60)	239	(391,483)
<u>6,130</u>	<u>29,882</u>	<u>2,638,906</u>
<u>\$ 6,070</u>	<u>\$ 30,121</u>	<u>\$ 2,247,423</u>