

***TOWN OF NORTH SALEM, NEW YORK***

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2022***

TOWN OF NORTH SALEM, NEW YORK  
TABLE OF CONTENTS  
DECEMBER 31, 2022

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Town-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds	
Balance Sheet with the Statement of Net Position	16
Statement of Revenues, Expenditures and	
Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues,	
Expenditures and Changes in Fund Balances	
Of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Position – Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	21
Notes To The Financial Statements	22
Required Supplementary Information:	
Schedule Of Revenues, Expenditures, And Changes In	
Fund Balance Budget To Actual – General Fund	48
Schedule Of Revenues, Expenditures And Changes In Fund	
Balance Budget To Actual – Highway Fund	49
Schedule of Changes In The Total OPEB Liability	50
Notes To Required Supplementary Information	51
Schedule of Proportionate Share of the Net Pension Asset/Liability	52
Schedule of Employer's Pension Contributions	53
Supplemental Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds	54
Combining Statement of Revenues, Expenditures And	
Changes In Fund Balance – Non-Major Governmental Funds	55
General Fund:	
Comparative Balance Sheet	56

TOWN OF NORTH SALEM, NEW YORK  
TABLE OF CONTENTS  
DECEMBER 31, 2022

	<u>PAGE</u>
Highway Fund:	
Comparative Balance Sheet	57
Lighting Districts:	
Combining Balance Sheet	58
Statements Of Revenues, Expenditures And Changes In Fund Balance - Budget To Actual	59
Sewer District:	
Comparative Balance Sheet	61
Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget To Actual	62
Water Districts:	
Combining Balance Sheet	63
Statements Of Revenues, Expenditures And Changes In Fund Balance - Budget To Actual	64
Park District:	
Comparative Balance Sheet	68
Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget To Actual	69
Capital Projects Fund:	
Combining Balance Sheet	70
Combining Statement Of Revenues, Expenditures And Changes In Fund Balance	73
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	76

## INDEPENDENT AUDITORS' REPORT

To The Supervisor and Board Members of the  
Town of North Salem  
North Salem, New York

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Salem, New York, as of and for the year ended December 31, 2022, 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 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 of North Salem, New York, as of December 31, 2022, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of North Salem, New York, 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 these 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 of North Salem, New York'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.

### **Auditor's Responsibility 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Salem, New York'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of North Salem, New York'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 the management's discussion and analysis and other required supplementary information, on pages 5 through 10 and 48 through 53, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Salem, New York's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matters**

The prior year summarized comparative information has been derived from the Town's December 31, 2021 financial statements and, in our report dated May 5, 2022, we expressed an unmodified opinion on those financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2023 on our consideration of the Town of North Salem, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Salem, New York's internal control over financial reporting and compliance.

*Cooper Arias, LLP*

Mongaup Valley, New York  
May 18, 2023



# **MANAGEMENT DISCUSSION AND ANALYSIS**

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Town of North Salem

Year Ended December 31, 2022



## Town of North Salem

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2022. This section is a summary of the Town's financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

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### Financial Highlights

Key financial highlights for 2022 are as follows:

#### Town – Wide Statements

The Town's main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 7,056,700	63%	63%
Sales Tax Revenues	1,359,501	12%	11%
State and Federal Aid	633,246	6%	10%

The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Transportation	\$ 3,390,069	30%	30%
General Government Support	2,355,548	21%	21%
Culture and Recreation	1,283,056	11%	11%
Public Safety	1,376,213	12%	12%
Home and Community Services	2,186,698	19%	20%

Total Net Position was \$15,600,762 at December 31, 2022, down \$100,462 from the prior year.

#### Fund Financial Statements

The highlights of the activities in the General Fund are as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 4,691,656	59%	58%
Sales Tax Revenues	1,359,501	17%	18%
Departmental Income	569,455	7%	7%
State Aid	310,400	4%	7%
General Government Support	2,296,655	31%	25%
Culture and Recreation	1,005,526	14%	14%
Home and Community Services	974,859	13%	15%
Public Safety	923,463	12%	13%
Employee Benefits	1,053,567	14%	16%

- The General Fund's fund balance increased from \$3,527,613 at December 31, 2021 to \$3,948,965 at December 31, 2022. The Town had \$175,768 in non-spendable form and \$450,000 appropriated towards the subsequent year's budget, leaving \$3,323,197 unassigned as of December 31, 2022.
- The Highway Fund had property tax revenues of \$1,971,417, which accounted for 82% of its total revenues of \$2,392,117.
- The Capital Project expenditures were related to various projects and are detailed on pages 70 – 75 of this report.

## **Using this Comprehensive Annual Report**

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

## **Reporting the Town as a Whole**

### *The Statement of Net Position and Statement of Activities*

One of the most important questions asked about the Town's finances is "Is the Town better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the Town's financial health is improving or deteriorating.

The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two distinct kinds of activities:

**Governmental Activities:**

This section represents programs and services that are funded fully or in part by general town revenues such as property taxes, state aid, etc.

**Business Type Activities:**

This section presents areas where services or goods are provided and charges are made for such goods and services to recover all expenses.

The Town has no activities that are classified as business type.

**Reporting the Town's Most Significant Funds***Fund Financial Statements*

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town's two types of funds, governmental and fiduciary, use different accounting approaches.

*Governmental Funds*

Most of the Town's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

*Fiduciary Funds*

The Town is the trustee or fiduciary for assets that belong to others. It is the Town's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position" and "Changes in Fiduciary Net Position" schedule, as the Town may not use these assets to finance its operations.

	<u>2022</u>	<u>2021</u>
<b>NET POSITION</b>		
Current Assets	\$ 19,465,452	\$ 18,548,654
Net Pension Asset	482,972	-
Capital Assets, net	<u>30,711,567</u>	<u>30,649,968</u>
<b>Total Assets</b>	<u>50,659,991</u>	<u>49,198,622</u>
<b>Deferred Outflows of Resources</b>		
Pensions	<u>1,448,115</u>	<u>1,681,416</u>
Current Liabilities	14,091,001	13,060,565
Long-Term Liabilities	<u>20,668,927</u>	<u>20,441,115</u>
<b>Total Liabilities</b>	<u>34,759,928</u>	<u>33,501,680</u>
<b>Deferred Inflows of Resources</b>		
Pensions	<u>1,747,416</u>	<u>1,677,134</u>
Net Investment in Capital Assets	22,590,499	22,063,164
Restricted	5,436	5,436
Unrestricted	<u>(6,995,173)</u>	<u>(6,367,376)</u>
<b>Total Net Position</b>	<u>\$ 15,600,762</u>	<u>\$ 15,701,224</u>
<b>REVENUES</b>		
Real Property Taxes	\$ 7,056,700	\$ 6,909,557
Other Tax Items	81,399	63,400
Non-Property Tax	1,472,465	1,351,938
Charges For Services	1,686,650	1,330,827
Operating Grants And Contributions	495,751	435,926
Capital Grants And Contributions	73,484	398,241
Investment Earnings	-	15,158
Sale Of Property And Compensation For Loss	17,012	2,583
Miscellaneous Local Sources	42,696	56,033
State Aid	<u>294,429</u>	<u>441,572</u>
<b>Total Revenues</b>	<u>11,220,586</u>	<u>11,005,235</u>
<b>EXPENDITURES</b>		
General Government Support	2,355,548	2,212,226
Public Safety	1,376,213	1,256,294
Health	462,046	437,731
Transportation	3,390,069	3,177,185
Economic Assistance And Opportunity	41,920	40,932
Culture And Recreation	1,283,056	1,131,598
Home And Community Service	2,186,698	2,136,444
Debt Service	<u>225,498</u>	<u>223,912</u>
<b>Total Expenditures</b>	<u>11,321,048</u>	<u>10,616,322</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (100,462)</u>	<u>\$ 388,913</u>

## Governmental Activities

### *The Town's Funds*

Information about the Town's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$11,440,300 and expenditures of \$11,451,946, which resulted in a decrease in fund balance of \$11,646.

	<b>2022 Fund Balance</b>	<b>2021 Fund Balance</b>	<b>Increase/(Decrease)</b>
General Fund	\$ 3,948,965	\$ 3,527,613	\$ 421,352
Highway Fund	1,068,288	1,527,483	(459,195)
Non-Major Funds	<u>207,095</u>	<u>180,898</u>	<u>26,197</u>
<b>Total Governmental</b>	<b><u>\$ 5,224,348</u></b>	<b><u>\$ 5,235,994</u></b>	<b><u>\$ (11,646)</u></b>

## BUDGET INFORMATION

The Town's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 48. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the "Supplemental Schedules" beginning on page 54 of the financial statements.

### Capital Assets

The Town had \$30,711,567 invested in capital assets, net of \$9,016,144 in accumulated depreciation, as of December 31, 2022. Depreciation for the year ended December 31, 2022 was \$920,947.

### Debt

As of December 31, 2022, the Town had \$8,990,000 in outstanding bonds, \$881,500 in outstanding bond anticipation notes and \$35,267 in outstanding installment purchase debt. The Town paid \$268,271 in interest throughout the year.

### Contacting the Town's Financial Management

It is the intent of this report to provide the Town's citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Supervisor's Office at Town of North Salem, 266 Titicus Road, North Salem, New York 10560.

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF NET POSITION  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 10,505,111	\$ 9,529,889
Cash - Restricted	271,880	118,215
Taxes Receivable	7,817,075	7,821,712
Accounts Receivable	181,077	145,148
Rents Receivable	1,132	884
Due From State and Federal	109,072	380,763
Due From Other Governments	579,605	551,363
Prepaid Expenditures	<u>500</u>	<u>680</u>
Total Current Assets	<u>19,465,452</u>	<u>18,548,654</u>
Non-Current Assets:		
Net Pension Asset	482,972	-
Capital Assets, net	<u>30,711,567</u>	<u>30,649,968</u>
Total Non-Current Assets	<u>31,194,539</u>	<u>30,649,968</u>
<b>TOTAL ASSETS</b>	<u>50,659,991</u>	<u>49,198,622</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	<u>1,448,115</u>	<u>1,681,416</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,448,115</u>	<u>1,681,416</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	607,492	215,360
Accrued Liabilities	65,527	52,887
Other Liabilities	525,537	262,768
BAN's Payable	881,500	885,000
Due To Other Governments	11,512,584	11,069,451
Due To ERS	240,170	313,361
Funds in Escrow	<u>258,191</u>	<u>261,738</u>
Total Current Liabilities	<u>14,091,001</u>	<u>13,060,565</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF NET POSITION  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Non-Current Liabilities		
Due Within One Year:		
Serial Bonds	\$ 525,000	\$ 505,000
Unamortized Bond Premium	45,205	45,205
Installment Purchase Debt	22,397	34,017
Total OPEB Liability	400,000	285,000
Due Beyond One Year:		
Serial Bonds	8,465,000	8,990,000
Unamortized Bond Premium	363,572	408,777
Installment Purchase Debt	12,870	10,480
Total OPEB Liability	10,625,080	9,911,048
Compensated Absences	202,397	221,515
Net Pension Liability	<u>7,406</u>	<u>30,073</u>
Total Non-Current Liabilities	<u>20,668,927</u>	<u>20,441,115</u>
TOTAL LIABILITIES	<u>34,759,928</u>	<u>33,501,680</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>1,747,416</u>	<u>1,677,134</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,747,416</u>	<u>1,677,134</u>
NET POSITION		
Net Investment in Capital Assets	22,590,499	22,063,164
Restricted	5,436	5,436
Unrestricted	<u>(6,995,173)</u>	<u>(6,367,376)</u>
TOTAL NET POSITION	<u>\$ 15,600,762</u>	<u>\$ 15,701,224</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>2022</u>	<u>2021</u>
FUNCTIONS/PROGRAMS						
General Government Support	\$ 2,355,548	\$ 315,822	\$ 18,430	\$ -	\$ (2,021,296)	\$ (1,950,982)
Public Safety	1,376,213	385,847	348	-	(990,018)	(853,246)
Health	462,046	6,280	-	-	(455,766)	(433,251)
Transportation	3,390,069	303,063	210,902	23,484	(2,852,620)	(2,576,744)
Economic Assistance and Opportunity	41,920	-	-	-	(41,920)	(40,932)
Culture and Recreation	1,283,056	402,250	248	50,000	(830,558)	(796,469)
Home and Community Services	2,186,698	273,388	265,823	-	(1,647,487)	(1,575,792)
Debt Service	<u>225,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,498)</u>	<u>(223,912)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>11,321,048</u>	<u>1,686,650</u>	<u>495,751</u>	<u>73,484</u>	<u>(9,065,163)</u>	<u>(8,451,328)</u>
GENERAL REVENUES						
Real Property Tax					7,056,700	6,909,557
Other Tax Items					81,399	63,400
Non-Property Tax Items					1,472,465	1,351,938
Use of Money and Property					-	15,158
Sale Of Property and Compensation For Loss					17,012	2,583
Miscellaneous Local Sources					42,696	56,033
State Aid					<u>294,429</u>	<u>441,572</u>
TOTAL GENERAL REVENUES					<u>8,964,701</u>	<u>8,840,241</u>
CHANGE IN NET POSITION					(100,462)	388,913
TOTAL NET POSITION- Beginning Of Year					<u>15,701,224</u>	<u>15,312,311</u>
TOTAL NET POSITION- End Of Year					<u>\$ 15,600,762</u>	<u>\$ 15,701,224</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF NORTH SALEM, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2021 TOTALS</u>
<b>ASSETS</b>					
Cash	\$ 8,417,893	\$ 1,112,183	\$ 975,035	\$ 10,505,111	\$ 9,529,889
Cash - Restricted	-	-	271,880	271,880	118,215
Property Tax Receivable	7,817,075	-	-	7,817,075	7,821,712
Water Rents Receivable	-	-	1,132	1,132	884
Accounts Receivable	181,077	-	-	181,077	145,148
Due From Other Funds	292,563	60,778	75,669	429,010	291,403
Due From State and Federal	20,375	65,213	23,484	109,072	380,763
Due From Other Governments	399,903	26,057	153,645	579,605	551,363
Prepaid Expenses	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>680</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,129,386</u>	<u>\$ 1,264,231</u>	<u>\$ 1,500,845</u>	<u>\$ 19,894,462</u>	<u>\$ 18,840,057</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 450,196	\$ 106,922	\$ 50,374	\$ 607,492	\$ 215,360
Accrued Liabilities	16,473	16,472	-	32,945	22,737
BAN's Payable	-	-	881,500	881,500	885,000
Due To ERS	171,672	68,498	-	240,170	313,361
Due To Other Funds	63,850	4,051	361,109	429,010	291,403
Due To Other Governments	11,511,817	-	767	11,512,584	11,069,451
Other Liabilities	525,537	-	-	525,537	262,768
Funds In Escrow	<u>258,191</u>	<u>-</u>	<u>-</u>	<u>258,191</u>	<u>261,738</u>
<b>TOTAL LIABILITIES</b>	<u>12,997,736</u>	<u>195,943</u>	<u>1,293,750</u>	<u>14,487,429</u>	<u>13,321,818</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2021 TOTALS</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Tax Revenues	\$ 182,685	\$ -	\$ -	\$ 182,685	\$ 282,245
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>182,685</u>	<u>-</u>	<u>-</u>	<u>182,685</u>	<u>282,245</u>
FUND BALANCES					
Non-spendable:					
Non-Current Receivables	175,768	-	-	175,768	172,201
Restricted	-	-	360,551	360,551	338,019
Assigned:					
Appropriated	450,000	190,000	8,000	648,000	809,325
Unappropriated	-	878,288	1,036,962	1,915,250	1,929,894
Unassigned	<u>3,323,197</u>	<u>-</u>	<u>(1,198,418)</u>	<u>2,124,779</u>	<u>1,986,555</u>
TOTAL FUND BALANCES	<u>3,948,965</u>	<u>1,068,288</u>	<u>207,095</u>	<u>5,224,348</u>	<u>5,235,994</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 17,129,386</u>	<u>\$ 1,264,231</u>	<u>\$ 1,500,845</u>	<u>\$ 19,894,462</u>	<u>\$ 18,840,057</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET WITH THE STATEMENT OF NET POSITION  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
Total Fund Balance – Governmental Funds	\$ 5,224,348	\$ 5,235,994
Amounts reported for governmental activities in the statement of net position are different because:		
In the governmental funds, property taxes receivable are recognized as revenues to the extent they are deemed “available”. Any portion not deemed “available” to meet current obligations are reported as deferred revenues. In the statement of net position all receivables are recognized regardless of when they will be received.	182,685	282,245
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2022 are \$39,727,711 and \$9,016,144, respectively.	30,711,567	30,649,968
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Serial Bonds	(8,990,000)	
Unamortized Bond Premium	(408,777)	
Installment Purchase Debt	(35,267)	
Compensated Absences	<u>(202,397)</u>	
	(9,636,441)	(10,214,994)
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Net Pension Asset	482,972	
Deferred Outflows of Resources	1,448,115	
Deferred Inflows Of Resources	(1,747,416)	
Net Pension Liability	<u>(7,406)</u>	
	176,265	(25,791)
Long term asset and liabilities associated with OPEB are not current financial resources or obligations and are not reported in the government funds.		
Total OPEB Liability	(11,025,080)	(10,196,048)
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.	<u>(32,582)</u>	<u>(30,150)</u>
Net Position of Governmental Activities	<u>\$ 15,600,762</u>	<u>\$ 15,701,224</u>

SEE ACCOMPANYING NOTES AND AUDITORS’ OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2021 TOTALS</u>
REVENUES					
Real Property Taxes	\$ 4,691,656	\$ 1,971,417	\$ 493,187	\$ 7,156,260	\$ 6,847,128
Other Tax Items	81,399	-	-	81,399	63,400
Non-Property Tax Items	1,472,465	-	-	1,472,465	1,351,938
Departmental Income	569,455	-	257,963	827,418	718,040
Intergovernmental Charges	-	163,242	-	163,242	116,365
Use of Money and Property	91,663	1,559	6,267	99,489	15,158
Licenses and Permits	383,842	-	-	383,842	293,191
Fines and Forfeitures	212,659	-	-	212,659	203,231
Sale of Property and Compensation For Loss	15,500	15,651	-	31,151	2,583
Miscellaneous Local Sources	41,658	13,845	217,611	273,114	253,819
State Aid	310,400	210,902	50,000	571,302	893,115
Federal Aid	20,375	15,501	26,068	61,944	184,838
TOTAL REVENUES	7,891,072	2,392,117	1,051,096	11,334,285	10,942,806
OTHER FINANCING SOURCES					
Operating Transfers In	-	-	63,830	63,830	419,435
BANs Redeemed from Appropriations	-	-	3,500	3,500	-
Proceeds from Installment Debt	-	-	38,685	38,685	31,483
TOTAL REVENUES AND OTHER FINANCING SOURCES	7,891,072	2,392,117	1,157,111	11,440,300	11,393,724
EXPENDITURES					
General Government Support	2,296,655	2,289	-	2,298,944	1,622,135
Public Safety	923,463	-	-	923,463	811,208
Health	462,046	-	-	462,046	437,731
Transportation	330,833	2,111,172	11,099	2,453,104	2,328,836
Economic Assistance and Opportunity	36,800	-	-	36,800	36,144
Culture and Recreation	1,005,526	-	6,460	1,011,986	921,115
Home and Community Services	974,859	-	676,657	1,651,516	1,526,291
Employee Benefits	1,053,567	573,181	-	1,626,748	1,583,671
Debt Service:					
Principal	230,305	109,870	216,240	556,415	524,078
Interest	91,836	54,800	121,635	268,271	280,151
Capital Outlay	-	-	98,823	98,823	1,963,246
TOTAL EXPENDITURES	7,405,890	2,851,312	1,130,914	11,388,116	12,034,606
OTHER FINANCING USES					
Operating Transfers Out	63,830	-	-	63,830	419,435
TOTAL EXPENDITURES AND OTHER USES	7,469,720	2,851,312	1,130,914	11,451,946	12,454,041
NET CHANGE IN FUND BALANCE	421,352	(459,195)	26,197	(11,646)	(1,060,317)
FUND BALANCE - Beginning of Year	3,527,613	1,527,483	180,898	5,235,994	6,296,311
FUND BALANCE - End of Year	\$ 3,948,965	\$ 1,068,288	\$ 207,095	\$ 5,224,348	\$ 5,235,994

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, 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, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (11,646)	\$ (1,060,317)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(920,947)		
Capital Outlay	<u>982,546</u>	61,599	1,325,437

Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds	505,000		
Installment Purchase Debt	<u>47,915</u>	552,915	524,078

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

Compensated Absences		19,118	(45,484)
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In the governmental funds, property taxes are reported as revenues to the extent that they are deemed available. In the statement of activities, property taxes are accrued regardless of when they are to be received.

	(99,560)	62,429
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SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, 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, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

Continued

		<u>2022</u>	<u>2021</u>
In the governmental funds, proceeds of long term debt are reported as revenues. In the statement of activities, the proceeds simply increase the liability.			
Serial Bonds	\$ -		
Installment Purchase Debt	<u>(38,685)</u>	(38,685)	(31,483)
Bond premiums are reported in the governmental funds as revenues in the year received. However, in the statement of activities, the premium is added to the outstanding debt and amortized as a reduction of interest expense over the life of the bond.			
Amortization Expense	45,205		
Bond Premium	<u>-</u>	45,205	45,205
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Police and Fire Retirement System	11,709		
Employees' Retirement System	<u>190,347</u>	202,056	172,532
(Increase) decreases in the OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Total OPEB Liability		(829,032)	(614,518)
In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.			
Current Year Accrued Interest	(32,582)		
Prior Year Accrued Interest	<u>30,150</u>	<u>(2,432)</u>	<u>11,034</u>
Change in Net Position of Governmental Activities		<u>\$ (100,462)</u>	<u>\$ 388,913</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31,

	<u>CUSTODIAL FUND</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ _____ -	\$ _____ -
TOTAL ASSETS	<u>\$ _____ -</u>	<u>\$ _____ -</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Agency Liabilities	_____ -	_____ -
TOTAL LIABILITIES	_____ -	_____ -
TOTAL NET POSITION	_____ -	_____ -
TOTAL LIABILITIES AND NET POSITION	<u>\$ _____ -</u>	<u>\$ _____ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEARS ENDED DECEMBER 31,

	<u>CUSTODIAL FUND</u>	
	<u>2022</u>	<u>2021</u>
ADDITIONS		
Fines Collected For Other Governments	\$ 111,492	\$ 103,733
Taxes Collected For Other Governments	<u>33,791,601</u>	<u>34,841,022</u>
TOTAL ADDITIONS	<u>33,903,093</u>	<u>34,944,755</u>
DEDUCTIONS		
Fines Paid To Other Governments	111,492	103,733
Taxes Paid To Other Governments	<u>33,791,601</u>	<u>34,841,022</u>
TOTAL DEDUCTIONS	<u>33,903,093</u>	<u>34,944,755</u>
CHANGE IN NET POSITION	-	-
NET POSITION - Beginning Of Year	<u>-</u>	<u>-</u>
NET POSITION - End Of Year	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of North Salem have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**A. Financial Reporting Entity**

The Town of North Salem, New York, is governed by the Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations, the Supervisor serves as the chief executive officer and the chief fiscal officer.

The Town provides the following basic services: general government support, public safety, health, transportation (street and highway maintenance), economic assistance and opportunity, culture and recreation, and home and community services. The Town also provides lighting and water services to separate areas of the Town through special districts. These services are provided for in two lighting districts and three water districts.

All governmental activities and functions performed by the Town of North Salem, New York, are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity, except for two fire districts that furnish fire protection to certain areas of the Town.

The furnishing of such protection is the responsibility of Fire Commissioners who constitute the governing board of each district. Fire Commissioners are elected by the qualified voters living within each district. Fire District operations, including the financing thereof through real property taxation, are carried out at the direction of the Fire Commissioners, and the Town has no managerial oversight or fiscal responsibility.

Certain collection activities of the Town Clerk and Town Justice Officers are not included in the Town's reporting entity as prescribed by the Office of the State Comptroller. These collection activities include fees, fines and bail moneys which are not recorded by the Town until remitted by the respective elected officials.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Basis of Presentation**

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole. These statements include the financial activities of the overall Town, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

The Town reports the following major Governmental Funds:

*General Fund* - the principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Fund* - used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Highway Fund – used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

The Town reports the following non-major Governmental Funds:

Special Districts Funds – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole town.

1. Water Districts
2. Lighting Districts
3. Park District
4. Sewer District

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

1. Miscellaneous Special Revenues

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following fund type:

Fiduciary Fund – used to account for assets held by the government in a trustee or custodial capacity:

Custodial Fund – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

C. **Basis of Accounting/Measurement Focus**

The Town-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Property Taxes**

Real property taxes are levied annually no later than December 31<sup>st</sup>, and become a lien on January 1<sup>st</sup>. The Town collects county, town and special District taxes which are due April 1<sup>st</sup> and payable without penalty to April 30<sup>th</sup>. School Taxes are due on September 1<sup>st</sup>, with the first half payable without penalty until September 30<sup>th</sup> and the second half due the following January 1<sup>st</sup> and payable without penalty until January 31<sup>st</sup>. The Town guarantees the full payment of the county and school District warrants and assumes the responsibility for uncollected taxes.

**E. Budgetary Procedures And Budgetary Accounting**

**1. Budget Policies**

The budget policies are as follows:

- a. No later than October 30<sup>th</sup>, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds and is presented to the Town Board no later than November 10<sup>th</sup>.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 20<sup>th</sup>, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board. However, the Supervisor is authorized to transfer certain budgeted amounts within departments.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- d. Budgetary controls are established for the capital project funds through resolutions authorizing individual projects which remain in effect for the life of the project.
- e. Budget amounts included in the report for General and Special Revenue Funds have been amended and approved by the Town Board.

2. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

F. Cash and Cash Equivalents

For financial statement purposes, the Town considers all highly liquid investments as cash equivalents.

G. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

H. Capital Assets

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is \$5,000.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>ASSET CLASS</u></b>	<b><u>ESTIMATED USEFUL LIVES</u></b>
Buildings	50
Site Improvements	20
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

**I. Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

**J. Vested Employee Benefits**

The Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations.

For the Town-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and Town-wide presentations.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivor benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. **Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

L. **Insurance**

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

M. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. **Equity Classifications**

In the Town-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund basis statements there are five classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town has \$175,768 in non-spendable fund balances related to non-current receivables in the General Fund, as of December 31, 2022.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town has \$360,551 in restricted fund balances related to various projects in the Capital Project Fund, as of December 31, 2022.

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balances as of December 31, 2022.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund and, in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance.

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

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.



TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. **New Accounting Standards**

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2022, the Town implemented the following new standards:

GASB 87 – *Leases*

GASB 91 – *Conduit Debt Obligations*

GASB 92 – *Omnibus 2020*

GASB 93 – *Replacement of Interbank Offered Rates*, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No.32*

P. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2023

GASB 96 – *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023.

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 *except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which is effective for the year ending December 31, 2024

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for year ending December 31, 2024.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 101 – *Compensated Absences*, effective for the year ending December 31, 2024

The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Town contributions to the pension systems subsequent to the measurement date. The Town recognized \$1,448,115 in deferred outflows of resources related to pensions as of December 31, 2022.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenues. The Town recognized \$182,685 in deferred inflows of resources in the governmental fund financial statements for deferred tax revenues in the General Fund as of December 31, 2022. The second item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The Town recognized \$1,747,416 in deferred inflows of resources related to pensions as of December 31, 2022.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net decrease of \$299,301 to unrestricted net position as of December 31, 2022.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Balance**

The Candlewood Park District had a deficit fund balance of \$20,382 at December 31, 2022. The deficit was caused by expenditures in excess of budgeted amounts and was financed with a loan from the General Fund. The deficit will be eliminated in the future through budgetary means.

The Sunset Ridge Water District and the Salem Acres Water District had deficit fund balances of \$963 and \$9,399, respectively, at December 31, 2022. The deficits were caused by expenditures related to major repairs and were financed with loans from the General Fund. The deficits will be eliminated in the future through budgetary means.

The Capital Projects Fund had a deficit unassigned balance of \$1,167,674 at December 31, 2022. The deficit was caused by a combination of the accounting treatment of short-term debt and project expenditures in excess of available financing. The deficit will be eliminated when the short-term debt is converted to long-term financing, operating funds responsible for the unfunded projects provide the additional funding or long-term financing is put into place.

**B. Overdrawn Appropriations**

Expenditures for the year ended December 31, 2022 materially exceeded appropriations in the funds and/or functions identified below:

<u>FUND/FUNCTION</u>	<u>APPROPRIATIONS AS MODIFIED</u>	<u>EXPENDITURES AND ENCUMBRANCES</u>	<u>UNFAVORABLE VARIANCE</u>
General Fund/Transportation	302,684	330,833	(28,149)
Sunset Ridge Water/Home And Community Services	75,489	108,829	(33,340)
Salem Acres Water/Home and Community Service	34,756	54,094	(19,338)
Peach Lake Sewer/Home And Community Services	279,286	444,896	(165,610)

Overspent appropriations in the General Fund were due to expenses related to off-street parking in excess of budgeted amounts and were funded with parking fees in excess of budgeted amounts.

Overspent appropriations in the Sunset Ridge Water District were due to unbudgeted expenses related to major repairs and were funded with available fund balance.

Overspent appropriations in the Salem Acres Water District were due to unbudgeted expenses related to major repairs and were funded with available fund balance.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

Overspent appropriations in the Sewer Fund were due to expenses in excess of budgeted amounts and were funded with a combination of DEP revenues in excess of budgeted amounts and available fund balance.

**NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

**A. Total fund balances of governmental funds vs. net position of governmental activities**

Total fund balances of the Town’s governmental funds differs from “net position” of governmental activities reported in the Statement of Net Position.

The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheet.

**B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

1. Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities report revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND TOWN-WIDE STATEMENT (Continued)

2. Capital related differences:

Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording on expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 4 – CASH AND INVESTMENTS

The Town of North Salem investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town of North Salem monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, and obligations of New York State or its localities.

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

The Town's aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the Town's name.	<u>\$ 9,402,298</u>
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TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2022 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 4,083,637	\$ -	\$ -	\$ 4,083,637
Total non-depreciable historical cost	<u>4,083,637</u>	<u>-</u>	<u>-</u>	<u>4,083,637</u>
Capital assets that are depreciated:				
Building and Improvements	31,947,845	621,243	-	32,569,088
Machinery and Equipment	<u>2,827,051</u>	<u>375,442</u>	<u>127,507</u>	<u>3,074,986</u>
Total depreciable historical cost	<u>34,774,896</u>	<u>996,685</u>	<u>127,507</u>	<u>35,644,074</u>
Less accumulated depreciation:				
Building and Improvements	6,572,036	689,477	-	7,261,513
Machinery and Equipment	<u>1,636,529</u>	<u>231,470</u>	<u>113,368</u>	<u>1,754,631</u>
Total Accumulated Depreciation	<u>8,208,565</u>	<u>920,947</u>	<u>113,368</u>	<u>9,016,144</u>
Total historical cost, net	<u>\$ 30,649,968</u>	<u>\$ 75,738</u>	<u>\$ 14,139</u>	<u>\$ 30,711,567</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 71,252		
Public Safety		46,922		
Transportation		187,174		
Culture & Recreation		63,113		
Home & Community Service		<u>552,486</u>		
		<u>\$ 920,947</u>		

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2022 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND EXPENSE</u>	<u>INTERFUND REVENUE</u>
General Fund	\$ 292,563	\$ 63,850	\$ 63,830	\$ -
Highway Fund	60,778	4,051	-	-
Capital Fund	63,830	281,950	-	63,830
Water Districts	899	55,028	-	-
Sewer District	9,329	-	-	-
Park District	-	24,131	-	-
Light Districts	95	-	-	-
Miscellaneous Special Revenue	<u>1,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>429,010</u>	<u>429,010</u>	<u>63,830</u>	<u>63,830</u>
Custodial Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fiduciary Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 429,010</u>	<u>\$ 429,010</u>	<u>\$ 63,830</u>	<u>\$ 63,830</u>

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The Town typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 – PROPERTY TAXES

At December 31, 2022, property taxes receivable of \$7,817,075 were offset by a deferred tax revenue of \$182,685. The deferred tax revenue consists of Town taxes of \$131,132, which is the amount that will not be collected within the first sixty days of the subsequent year, and school taxes of \$51,553 which is an estimate of the amount that will not be collected as of June 30<sup>th</sup> of the subsequent year.

NOTE 8 - LIABILITIES

A. **Pension Plans and Post-Employment Benefits**

1. Plan Description

The Town of North Salem, New York 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). These are cost-sharing multiple-employer retirement systems. The systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

2. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 8 – LIABILITIES (Continued)**

Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership. Employees who joined the Systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2022	\$ 319,103	\$ 25,520
2021	380,206	26,557
2020	343,430	22,802

**B. Indebtedness**

**1. Long-Term Debt**

**a. Long-Term Debt Interest**

Interest Expense on long-term debt consisted of the following:

Interest Paid	\$ 268,271
Less: Interest Accrued in the Prior Year	(29,741)
Amortized Bond Premium	(45,205)
Plus: Interest Accrued in the Current Year	<u>28,175</u>
Total Expense	<u>\$ 221,500</u>

**b. Changes**

The changes in the Town's indebtedness during the year ended December 31, 2022 are summarized as follows:

	<u>BALANCE</u> <u>01/01/22</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/22</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Serial Bonds –					
General Obligation	\$ 5,380,000	\$ -	\$ 345,000	\$ 5,035,000	\$ 165,000
Unamortized Bond Premium	453,982	-	45,205	408,777	45,205
Serial Bonds –					
Direct Placement	4,115,000	-	160,000	3,955,000	360,000
Installment Purchase Debt –					
Direct Borrowings	44,497	38,685	47,915	35,267	22,397
Compensated Absences	221,515	-	19,118	202,397	-
Total OPEB Liability	<u>10,196,048</u>	<u>3,747,335</u>	<u>2,918,303</u>	<u>11,025,080</u>	<u>400,000</u>
<b>TOTAL</b>	<u>\$ 20,411,042</u>	<u>\$ 3,786,020</u>	<u>\$ 3,535,541</u>	<u>\$ 20,661,521</u>	<u>\$ 992,602</u>



TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 8 – LIABILITIES (Continued)

Additions and deletions to compensated absences are shown net since it is impractical to determine those amounts separately.

c. Maturity

The following is a summary of maturity of indebtedness:

<u>PURPOSE</u>	<u>FINAL MATURITY</u>	<u>RATE</u>	<u>OUTSTANDING</u>
Peach Lake Sewer	2042	0.263%-4.756%	\$ 3,955,000
Public Improvements	2039	3.25%-3.50%	1,630,000
Refunding Bond	2028	4.00%	945,000
Public Improvements	2035	2.00%-4.00%	<u>2,460,000</u>
Total Bonds			<u>8,990,000</u>
Police Vehicle	2023	6.70%	10,480
Police Vehicle	2024	7.99%	<u>24,787</u>
Total Installment Debt			<u>35,267</u>
TOTAL			<u>\$ 9,025,267</u>

The following is a summary of maturing debt service requirements.

<u>YEAR</u>	<u>GENERAL OBLIGATIONS</u>		<u>DIRECT BORROWINGS AND DIRECT PLACEMENTS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2023	\$ 360,000	\$ 161,025	\$ 187,397	\$ 87,905
2024	385,000	146,668	177,870	83,596
2025	395,000	131,631	170,000	79,683
2026	410,000	116,113	170,000	76,637
2027	420,000	100,113	175,000	73,490
2028-2032	1,630,000	312,182	930,000	313,852
2033-2037	1,190,000	113,317	1,030,000	208,068
2038-2042	<u>245,000</u>	<u>8,663</u>	<u>1,150,000</u>	<u>83,069</u>
TOTAL	<u>\$ 5,035,000</u>	<u>\$ 1,089,712</u>	<u>\$ 3,990,267</u>	<u>\$ 1,006,300</u>

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 8 – LIABILITIES (Continued)

2. Short-Term Debt

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. Principal Payments on BAN's must be made annually.

State law requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made. The Town has the following BAN's outstanding as of December 31, 2022.

<u>Purpose</u>	<u>Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Salem Acres Water	0.37%	\$ 35,000	\$ -	\$ 3,500	\$ 31,500
Land	0.37%	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
		<u>\$ 885,000</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 881,500</u>

Short – Term Debt Interest

Interest expense on short-term debt consisted of the following:

Interest Paid	-
Less: Interest Accrued In Prior Year	(409)
Plus: Interest Accrued In Current Year	<u>4,407</u>
Total Expense	<u>\$ 3,998</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal And New York State Grants

The Town has received grants over the past several years, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the federal and state governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

**B. Litigation**

The Town, in common with other municipalities, receives numerous notices of tort claims for money damages, as well as litigation by property owners who are seeking a review of real property tax assessments. There are no current claims that are expected to have a material effect on the financial position of the Town if adversely settled.

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 30,711,567
Less: Bonds Payable	(7,320,960)
Unamortized Bond Premium	(296,350)
Installment Debt Payable	(35,267)
Bond Anticipation Notes Payable	(850,000)
Plus: Unspent Debt Proceeds	<u>381,509</u>
Net Investment in Capital Assets	<u>\$ 22,590,499</u>

NOTE 11 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

**General Information about the OPEB Plan**

*Plan Description* - The healthcare plan is a defined benefit OPEB plan, provides OPEB for all eligible full-time employees or elected officials who retire from the Town. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* – The Town provides healthcare benefits for eligible retirees and their dependents. The retirees shall receive the same benefits as active employees and the Town shall pay 75% of medical insurance premiums.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 11 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

*Employees Covered by Benefit Terms* – At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	25
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>36</u>
	<u><u>61</u></u>

**Total OPEB Liability**

The Town’s total OPEB liability of \$11,025,080 was measured as of December 31, 2022, using an actuarial valuation date of January 1, 2022, with liabilities projected forward on a “no gain/loss” basis.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	December 31, 2022
Discount Rate	4.31%
Inflation Rate	2.70%
Initial Healthcare Cost Trend Rates	4.14% - 6.50%
Ultimate Healthcare Cost Trend Rates	4.14%

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Percent of Pay

The discount rate was based on S&P Municipal Bond 20-Year High Grade Index as of December 31, 2022.

Mortality rates were based on Pub-2010 Headcount-Weighted table for general Employees for ERS group, projected fully generationally using MP-2021.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 11 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

**Changes in the Total OPEB Liability**

Balance at January 1, 2022		\$ 10,196,048
Changes for the Year -		
Service Cost	333,876	
Interest	190,014	
Changes of Benefit Terms	-	
Differences between expected and actual experience and changes of assumptions	713,159	
Benefit Payments	<u>(408,017)</u>	
Net Changes		<u>829,032</u>
Balance at December 31, 2022		<u>\$ 11,025,080</u>

There were no changes of benefit terms for the fiscal year ended December 31, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.31% as of December 31, 2022.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – 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 (3.31%) or 1 – percentage point higher (5.31%) than the current discount rate:

	1% Decrease <u>(3.31%)</u>	Current Assumption <u>(4.31%)</u>	1% Increase <u>(5.31%)</u>
Total OPEB Liability	<u>\$ 9,766,073</u>	<u>\$ 11,025,080</u>	<u>\$ 12,544,755</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate* – 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 or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Current Assumption <u></u>	1% Increase <u></u>
Total OPEB Liability	<u>\$ 9,607,923</u>	<u>\$ 11,025,080</u>	<u>\$ 12,779,630</u>

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 11 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2022, the Town recognized OPEB expense of \$1,237,049. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	_____ -	_____ -
Total	\$ _____ -	\$ _____ -

**NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**Pension Plan Descriptions and Benefits Provided**

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) are included in Note 8-A to the financial statements.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2022, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and PFRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town's proportion of the net pension asset/(liability) was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined.

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

This information was provided by the ERS and PFRS Systems in reports provided to the Town.

	<u>ERS</u>	<u>PFRS</u>
Actuarial valuation date	April 1, 2021	April 1, 2021
Net pension asset/(liability)	\$ 482,972	\$ (7,406)
Town's portion of the Plan's total net pension asset/(liability)	0.0059082%	0.0013038%

For the year ended December 31, 2022, the Town recognized pension expense of \$125,540 for ERS and \$13,604 for PFRS. At December 31, 2022, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	36,576	3,993	47,441	-
Changes of assumptions	806,026	44,327	13,601	-
Net difference between projected and actual earnings on pension plan investments	-	-	1,581,532	62,231
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	293,360	23,663	34,933	7,678
Town's contributions subsequent to the measurement date	<u>220,962</u>	<u>19,208</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,356,924</u>	<u>\$ 91,191</u>	<u>\$ 1,677,507</u>	<u>\$ 69,909</u>

Town contributions subsequent to the measurement date of \$220,962 for ERS and \$19,208 for PFRS will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>PFRS</u>
2023	\$ (25,134)	\$ 2,549
2024	(106,080)	(980)
2025	(360,274)	(11,606)
2026	(50,057)	10,593
2027	-	1,518
Thereafter	<u>-</u>	<u>-</u>
TOTAL	<u>\$ (541,545)</u>	<u>\$ 2,074</u>

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

The total pension liability as of the measurement date was measured by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The valuations used the following significant actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Interest rate	5.9%	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2015-March 31, 2020 Systems' experience with adjustments for mortality improvements based on MP-2020. The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

The long term 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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS/PFRS</u>
Measurement date	March 31, 2022
Asset Type:	
Domestic Equity	3.30%
International Equity	5.85
Real Estate	5.00
Opportunistic/ARS Portfolio	4.10
Real Assets	5.80
Private Equities	6.50
Cash	(1.00)
Credit	3.78
Fixed Income	0.00



TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and PFRS. 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and PFRS, as well as what the Town's proportionate share of the net pension asset/(liability) 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 Assumption (5.9%)	1% Increase (6.9%)
<u>ERS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ <u>(1,243,165)</u>	\$ <u>482,792</u>	\$ <u>1,926,803</u>
<u>PFRS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ <u>(82,382)</u>	\$ <u>(7,406)</u>	\$ <u>54,654</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>ERS (in thousands)</u> April 1, 2021	<u>PFRS (in thousands)</u> April 1, 2021
Valuation date		
Employers' total pension liability	\$ (223,874,888)	\$ (42,237,292)
Plan Net Position	<u>232,049,473</u>	<u>41,669,250</u>
Employer's net pension asset/(liability)	\$ <u>8,174,585</u>	\$ <u>(568,042)</u>
Ration of plan net position to the Employer's total pension asset/(liability)	103.65%	98.66%

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the Systems' fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31 represent the projected employer contribution for the period of April 1 through December 31, based on paid ERS and PFRS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2022 amounted to \$220,962 for ERS and \$19,208 for PFRS.

NOTE 13 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2022 and May 18, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

TOWN OF NORTH SALEM, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES					
Real Property Taxes	\$ 4,657,998	\$ 4,592,086	\$ 4,691,656	\$ 99,570	\$ 3,960,040
Other Tax Items	66,000	67,001	81,399	14,398	63,400
Non-Property Tax Items	1,313,501	1,378,413	1,472,465	94,052	1,351,938
Departmental Income	541,510	541,510	569,455	27,945	457,878
Use of Money and Property	18,611	18,611	91,663	73,052	14,251
Licenses and Permits	238,200	238,200	383,842	145,642	293,191
Fines and Forfeitures	205,000	205,000	212,659	7,659	203,231
Sale of Property and Compensation For Loss	7,500	7,500	15,500	8,000	-
Miscellaneous Local Sources	6,201	6,201	41,658	35,457	69,901
State Aid	336,315	336,315	310,400	(25,915)	462,064
Federal Aid	1	1	20,375	20,374	-
TOTAL REVENUES	<u>7,390,837</u>	<u>7,390,838</u>	<u>7,891,072</u>	<u>500,234</u>	<u>6,875,894</u>
EXPENDITURES					
General Government Support	2,351,063	2,351,064	2,296,655	54,409	1,619,912
Public Safety	889,035	927,035	923,463	3,572	811,208
Health	459,976	459,976	462,046	(2,070)	437,731
Transportation	302,684	302,684	330,833	(28,149)	291,844
Economic Assistance and Opportunity	44,621	44,621	36,800	7,821	36,144
Culture and Recreation	1,062,989	1,062,989	1,005,526	57,463	910,990
Home and Community Services	999,885	999,885	974,859	25,026	971,021
Employee Benefits	1,098,589	1,098,589	1,053,567	45,022	1,009,979
Debt Service:					
Principal	232,022	232,022	230,305	1,717	207,618
Interest	93,973	93,973	91,836	2,137	95,579
TOTAL EXPENDITURES	<u>7,534,837</u>	<u>7,572,838</u>	<u>7,405,890</u>	<u>166,948</u>	<u>6,392,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(144,000)	(182,000)	485,182	667,182	483,868
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	25,000	25,000	-	(25,000)	870
Operating Transfers Out	-	(63,830)	(63,830)	-	(403,541)
NET CHANGE IN FUND BALANCE	(119,000)	(220,830)	421,352	642,182	81,197
FUND BALANCE - Beginning of Year	<u>119,000</u>	<u>220,830</u>	<u>3,527,613</u>	<u>3,306,783</u>	<u>3,446,416</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,948,965</u>	<u>\$ 3,948,965</u>	<u>\$ 3,527,613</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
HIGHWAY FUND  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES					
Real Property Taxes	\$ 1,971,417	\$ 1,971,417	\$ 1,971,417	\$ -	\$ 2,408,087
Intergovernmental Charges	222,783	222,783	163,242	(59,541)	116,365
Use of Money and Property	1,900	1,900	1,559	(341)	566
Sale of Property and Compensation For Loss	24,501	24,501	15,651	(8,850)	2,583
Miscellaneous Local Sources	15,000	15,000	13,845	(1,155)	7,713
State Aid	117,000	117,000	210,902	93,902	211,092
Federal Aid	-	-	15,501	15,501	-
TOTAL REVENUES	<u>2,352,601</u>	<u>2,352,601</u>	<u>2,392,117</u>	<u>39,516</u>	<u>2,746,406</u>
EXPENDITURES					
General Government Support	2,653	2,653	2,289	364	2,223
Transportation	2,250,838	2,250,838	2,111,172	139,666	2,027,954
Employee Benefits	616,765	616,765	573,181	43,584	573,692
Debt Service:					
Principal	109,870	109,870	109,870	-	105,070
Interest	54,800	54,800	54,800	-	58,972
TOTAL EXPENDITURES	<u>3,034,926</u>	<u>3,034,926</u>	<u>2,851,312</u>	<u>183,614</u>	<u>2,767,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(682,325)	(682,325)	(459,195)	223,130	(21,505)
FUND BALANCE - Beginning of Year	<u>682,325</u>	<u>682,325</u>	<u>1,527,483</u>	<u>845,158</u>	<u>1,548,988</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,068,288</u>	<u>\$ 1,068,288</u>	<u>\$ 1,527,483</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 333,876	\$ 321,703	\$ 257,513	\$ 279,916	\$ 353,909
Interest	190,014	195,196	236,709	321,278	328,531
Changes of Benefit Terms	-	-	15,074	-	-
Differences between expected and actual experience and changes of assumptions	713,159	384,488	(1,036,217)	1,558,579	(1,571,858)
Benefit payments and expenses	<u>(408,017)</u>	<u>(286,869)</u>	<u>(273,629)</u>	<u>(315,119)</u>	<u>(289,294)</u>
Net Changes	829,032	614,518	(800,550)	1,844,654	(1,178,712)
Beginning Total OPEB Liability	<u>10,196,048</u>	<u>9,581,530</u>	<u>10,382,080</u>	<u>8,537,426</u>	<u>9,716,138</u>
Ending Total OPEB Liability	<u>\$ 11,025,080</u>	<u>\$ 10,196,048</u>	<u>\$ 9,581,530</u>	<u>\$ 10,382,080</u>	<u>\$ 8,537,426</u>
Covered Employee Payroll	<u>\$ 2,591,283</u>	<u>\$ 3,088,975</u>	<u>\$ 2,859,846</u>	<u>\$ 3,038,145</u>	<u>\$ 2,935,434</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	425.5%	330.08%	335.04%	341.72%	290.84%

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

TOWN OF NORTH SALEM, NEW YORK  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The discount rate was updated from 1.84% at December 31, 2021 to 4.31% at December 31, 2022.

Salary scale, mortality and retirement rates have been updated based on NYS ERS assumptions adopted in April 2020. This included the elimination of the assumed earliest retirement age of 68 used in prior valuations. The net impact of this change is a large increase in liability.

Health care trend rates have been updated as noted below, which caused a large increase in the liability primarily due to the prior valuation using a lower post-65 trend rate.

Medical and prescription drug trend rates have been updated using actual increases for 2023, then updated to the 2022 Getzen model, with an initial trend rate of 6.5% for 2024, decreasing gradually to an ultimate rate of 4.14 % in 2076. These trend rates are being used for both pre- and post-65 costs.

Medicare Part B trend rates have been updated to -3.06% for 2023, followed by projected Part B premium increases shown in the 2022 Medicare Trustees report, and ultimately decreasing to an ultimate rate of 4.14% by 2076.

The projected claim costs for post-65 (Medicare) coverage have been updated to follow actuarial standards of practice as discussed on page 17. The prior actuarial valuation included projected claim costs based solely on the premiums as allowed under the Alternative Measurement Method in GASB 75. This resulted in a large increase in liability.

The assumption for percentage of future retirees electing to cover their spouses was decreased from 80% to 60%. This resulted in a decrease in liability.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

TOWN OF NORTH SALEM, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
YEAR ENDED DECEMBER 31, 2022

ERS System – Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0059082%	0.0052986%	0.0057308%	0.0059603%	0.0057352%	0.0071362%	0.0060140%	0.0059438%
The Town's proportionate share of the net pension asset (liability)	\$ 482,972	\$ (5,276)	\$ (1,517,552)	\$ (422,308)	\$ (185,099)	\$ (670,535)	\$ (965,262)	\$ (200,795)
The Town's covered employee payroll	2,701,894	2,498,393	2,511,094	2,428,303	2,319,683	2,210,042	2,257,814	2,270,730
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	17.88%	0.21%	60.43%	17.39%	7.98%	30.34%	42.75%	8.84%
Plan Fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

PFRS System – Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0013038%	0.0014282%	0.0016328%	0.0018669%	0.0021877%	0.0022014%	0.0025565%	0.0024314%
The Town's proportionate share of the net pension liability	\$ 7,406	\$ 24,797	\$ 87,273	\$ 31,308	\$ 22,112	\$ 45,628	\$ 75,692	\$ 6,693
The Town's covered employee payroll	141,051	143,214	135,184	165,653	181,923	167,708	177,024	165,538
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	5.25%	17.31%	64.56%	18.90%	12.15%	27.21%	42.76%	4.04%
Plan Fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.93%	93.5%	90.2%	99.0%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2022

ERS System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 319,103	\$ 380,206	\$ 343,430	\$ 343,617	\$ 341,251	\$ 335,596	\$ 360,475	\$ 428,684	\$ 457,644	\$ 424,581
Contribution in relation to the contractually required contribution	<u>319,103</u>	<u>380,206</u>	<u>343,430</u>	<u>343,617</u>	<u>341,251</u>	<u>335,596</u>	<u>360,475</u>	<u>428,684</u>	<u>457,644</u>	<u>424,581</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	11.79%	14.07%	13.75%	13.68%	14.05%	14.47%	16.31%	18.99%	20.20%	N/A

PFRS System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 25,520	\$ 26,557	\$ 22,802	\$ 22,153	\$ 26,149	\$ 27,878	\$ 27,174	\$ 29,866	\$ 25,216	\$ 26,858
Contribution in relation to the contractually required contribution	<u>25,520</u>	<u>26,557</u>	<u>22,802</u>	<u>22,153</u>	<u>26,149</u>	<u>27,878</u>	<u>27,174</u>	<u>29,866</u>	<u>25,216</u>	<u>26,858</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	17.24%	18.83%	15.92%	16.39%	15.79%	15.32%	16.20%	16.87%	15.49%	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF NORTH SALEM, NEW YORK  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022

	SEWER	LIGHTING	WATER	PARK	CAPITAL	MISC. SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 693,988	\$ 11,893	\$ 137,475	\$ 3,749	\$ -	\$ 127,930	\$ 975,035
Cash - Restricted	-	-	-	-	271,880	-	271,880
Rents Receivable	-	-	1,132	-	-	-	1,132
Due From Other Funds	9,329	95	899	-	63,830	1,516	75,669
Due From State and Federal	-	-	-	-	23,484	-	23,484
Due From Other Governments	<u>153,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,645</u>
TOTAL ASSETS	<u>\$ 856,962</u>	<u>\$ 11,988</u>	<u>\$ 139,506</u>	<u>\$ 3,749</u>	<u>\$ 359,194</u>	<u>\$ 129,446</u>	<u>\$ 1,500,845</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 36,178	\$ -	\$ 11,329	\$ -	\$ 2,867	\$ -	\$ 50,374
BAN's Payable	-	-	-	-	881,500	-	881,500
Due To Other Funds	-	-	55,028	24,131	281,950	-	361,109
Due To Other Governments	<u>767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>767</u>
TOTAL LIABILITIES	<u>36,945</u>	<u>-</u>	<u>66,357</u>	<u>24,131</u>	<u>1,166,317</u>	<u>-</u>	<u>1,293,750</u>
FUND BALANCES							
Restricted	-	-	-	-	360,551	-	360,551
Assigned:							
Appropriated	8,000	-	-	-	-	-	8,000
Unappropriated	812,017	11,988	83,511	-	-	129,446	1,036,962
Unassigned	<u>-</u>	<u>-</u>	<u>(10,362)</u>	<u>(20,382)</u>	<u>(1,167,674)</u>	<u>-</u>	<u>(1,198,418)</u>
TOTAL FUND BALANCES	<u>820,017</u>	<u>11,988</u>	<u>73,149</u>	<u>(20,382)</u>	<u>(807,123)</u>	<u>129,446</u>	<u>207,095</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 856,962</u>	<u>\$ 11,988</u>	<u>\$ 139,506</u>	<u>\$ 3,749</u>	<u>\$ 359,194</u>	<u>\$ 129,446</u>	<u>\$ 1,500,845</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022

	<u>SEWER</u>	<u>LIGHTING</u>	<u>WATER</u>	<u>PARK</u>	<u>CAPITAL</u>	<u>MISC SPECIAL REVENUE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES							
Real Property Taxes	\$ 261,361	\$ 10,000	\$ 211,563	\$ 10,263	\$ -	\$ -	\$ 493,187
Departmental Income	145,405	-	97,044	-	-	15,514	257,963
Use of Money and Property	5,256	31	376	5	588	11	6,267
Miscellaneous Local Sources	217,363	-	-	-	-	248	217,611
State Aid	-	-	-	-	50,000	-	50,000
Federal Aid	2,183	-	401	-	23,484	-	26,068
	<u>631,568</u>	<u>10,031</u>	<u>309,384</u>	<u>10,268</u>	<u>74,072</u>	<u>15,773</u>	<u>1,051,096</u>
TOTAL REVENUES							
EXPENDITURES							
Transportation	-	11,099	-	-	-	-	11,099
Culture and Recreation	-	-	-	6,460	-	-	6,460
Home and Community Services	444,896	-	231,761	-	-	-	676,657
Debt Service:							
Principal	160,000	-	55,840	400	-	-	216,240
Interest	87,639	-	33,657	339	-	-	121,635
Capital Outlay	-	-	-	-	98,823	-	98,823
	<u>692,535</u>	<u>11,099</u>	<u>321,258</u>	<u>7,199</u>	<u>98,823</u>	<u>-</u>	<u>1,130,914</u>
TOTAL EXPENDITURES							
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(60,967)	(1,068)	(11,874)	3,069	(24,751)	15,773	(79,818)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	63,830	-	63,830
BANs Redeemed From Appropriations	-	-	-	-	3,500	-	3,500
Proceeds of Installment Debt	-	-	-	-	38,685	-	38,685
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,015</u>	<u>-</u>	<u>105,015</u>
NET CHANGE IN FUND BALANCE	(60,967)	(1,068)	(11,874)	3,069	81,264	15,773	26,197
FUND BALANCE - Beginning of Year	880,984	13,056	85,023	(23,451)	(888,387)	113,673	180,898
FUND BALANCE - End of Year	<u>\$ 820,017</u>	<u>\$ 11,988</u>	<u>\$ 73,149</u>	<u>\$ (20,382)</u>	<u>\$ (807,123)</u>	<u>\$ 129,446</u>	<u>\$ 207,095</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 8,417,893	\$ 7,127,908
Property Tax Receivable	7,817,075	7,821,712
Accounts Receivable	181,077	145,148
Due From State and Federal	20,375	-
Due From Other Funds	292,563	211,374
Due From Other Governments	399,903	429,775
Prepaid Expenditures	<u>500</u>	<u>680</u>
 TOTAL ASSETS	 <u>\$ 17,129,386</u>	 <u>\$ 15,736,597</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 450,196	\$ 99,325
Accrued Liabilities	16,473	11,368
Due To Other Funds	63,850	-
Due To Other Governments	11,511,817	11,069,451
Due To ERS	171,672	222,089
Other Liabilities	525,537	262,768
Fund In Escrow	<u>258,191</u>	<u>261,738</u>
 TOTAL LIABILITIES	 <u>12,997,736</u>	 <u>11,926,739</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Tax Revenues	<u>182,685</u>	<u>282,245</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>182,685</u>	 <u>282,245</u>
FUND BALANCE		
Non-Spendable:		
Non-Current Receivables	175,768	172,201
Assigned:		
Appropriated	450,000	119,000
Unassigned	<u>3,323,197</u>	<u>3,236,412</u>
 TOTAL FUND BALANCE	 <u>3,948,965</u>	 <u>3,527,613</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 17,129,386</u>	 <u>\$ 15,736,597</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
HIGHWAY FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,112,183	\$ 1,349,110
Due From Other Funds	60,778	60,778
Due From State and Federal	65,213	260,804
Due From Other Governments	<u>26,057</u>	<u>21,704</u>
 TOTAL ASSETS	 <u>\$ 1,264,231</u>	 <u>\$ 1,692,396</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 106,922	\$ 62,272
Accrued Liabilities	16,472	11,369
Due To Other Funds	4,051	-
Due To ERS	<u>68,498</u>	<u>91,272</u>
 TOTAL LIABILITIES	 <u>195,943</u>	 <u>164,913</u>
FUND BALANCE		
Assigned:		
Appropriated	190,000	682,325
Unappropriated	<u>878,288</u>	<u>845,158</u>
 TOTAL FUND BALANCE	 <u>1,068,288</u>	 <u>1,527,483</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,264,231</u>	 <u>\$ 1,692,396</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
SPECIAL DISTRICTS FUND - LIGHTING DISTRICTS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>PURDY'S</u>	<u>CROTON FALLS</u>	<u>2022</u>	<u>2021</u>
ASSETS				
Cash	\$ 5,675	\$ 6,218	\$ 11,893	\$ 13,843
Due From Other Funds	<u>-</u>	<u>95</u>	<u>95</u>	<u>95</u>
TOTAL ASSETS	<u>\$ 5,675</u>	<u>\$ 6,313</u>	<u>\$ 11,988</u>	<u>\$ 13,938</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 882</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>882</u>
FUND BALANCE				
Assigned:				
Unappropriated	<u>5,675</u>	<u>6,313</u>	<u>11,988</u>	<u>13,056</u>
TOTAL FUND BALANCE	<u>5,675</u>	<u>6,313</u>	<u>11,988</u>	<u>13,056</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,675</u>	<u>\$ 6,313</u>	<u>\$ 11,988</u>	<u>\$ 13,938</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - PURDY'S LIGHTING  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 4,000	\$ 4,000	\$ -	\$ 3,600
Use of Money and Property	-	14	14	1
TOTAL REVENUES	4,000	4,014	14	3,601
EXPENDITURES				
Transportation	4,000	4,131	(131)	3,269
TOTAL EXPENDITURES	4,000	4,131	(131)	3,269
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(117)	(117)	332
FUND BALANCE - Beginning of Year	-	5,792	5,792	5,460
FUND BALANCE - End of Year	\$ -	\$ 5,675	\$ 5,675	\$ 5,792

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - CROTON FALLS LIGHTING  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	2021 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 6,000	\$ 6,000	\$ -	\$ 6,700
Use of Money and Property	<u>-</u>	<u>17</u>	<u>17</u>	<u>1</u>
TOTAL REVENUES	<u>6,000</u>	<u>6,017</u>	<u>17</u>	<u>6,701</u>
EXPENDITURES				
Transportation	<u>6,000</u>	<u>6,968</u>	<u>(968)</u>	<u>5,769</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,968</u>	<u>(968)</u>	<u>5,769</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(951)	(951)	932
FUND BALANCE - Beginning of Year	<u>-</u>	<u>7,264</u>	<u>7,264</u>	<u>6,332</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 6,313</u>	<u>\$ 6,313</u>	<u>\$ 7,264</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
SPECIAL DISTRICTS FUND - PEACH LAKE SEWER DISTRICT  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 693,988	\$ 810,046
Due From Other Funds	9,329	6,378
Due From Other Governments	<u>153,645</u>	<u>99,884</u>
 TOTAL ASSETS	 <u>\$ 856,962</u>	 <u>\$ 916,308</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 36,178	\$ 35,324
Due To Other Governments	<u>767</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>36,945</u>	 <u>35,324</u>
 FUND BALANCE		
Assigned:		
Appropriated	8,000	8,000
Unappropriated	<u>812,017</u>	<u>872,984</u>
 TOTAL FUND BALANCE	 <u>820,017</u>	 <u>880,984</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 856,962</u>	 <u>\$ 916,308</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - PEACH LAKE SEWER DISTRICT  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 261,361	\$ 261,361	\$ -	\$ 267,444
Departmental Income	139,000	145,405	6,405	135,520
Use of Money and Property	500	5,256	4,756	141
Sale of Property and Compensation For Loss	-	-	-	-
Miscellaneous Local Sources	130,000	217,363	87,363	176,205
Federal Aid	-	2,183	2,183	6,155
TOTAL REVENUES	<u>530,861</u>	<u>631,568</u>	<u>100,707</u>	<u>585,465</u>
EXPENDITURES				
General Government Support	1,650	-	1,650	-
Home and Community Services	279,286	444,896	(165,610)	362,274
Debt Service:				
Principal	160,000	160,000	-	160,000
Interest	<u>97,925</u>	<u>87,639</u>	<u>10,286</u>	<u>89,842</u>
TOTAL EXPENDITURES	<u>538,861</u>	<u>692,535</u>	<u>(153,674)</u>	<u>612,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,000)	(60,967)	(52,967)	(26,651)
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	-	9,129
NET CHANGE IN FUND BALANCE	(8,000)	(60,967)	(52,967)	(17,522)
FUND BALANCE - Beginning of Year	<u>8,000</u>	<u>880,984</u>	<u>872,984</u>	<u>898,506</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 820,017</u>	<u>\$ 820,017</u>	<u>\$ 880,984</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
SPECIAL DISTRICTS FUND - WATER DISTRICTS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

	CANDLEWOOD PARK	CROTON FALLS	SUNSET RIDGE	SALEM ACRES	2022	2021
ASSETS						
Cash	\$ 68,542	\$ 49,921	\$ 432	\$ 18,580	\$ 137,475	\$ 115,964
Water Rents Receivable	65	212	(27)	882	1,132	884
Due From Other Funds	<u>813</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>899</u>	<u>11,278</u>
TOTAL ASSETS	<u>\$ 69,420</u>	<u>\$ 50,133</u>	<u>\$ 491</u>	<u>\$ 19,462</u>	<u>\$ 139,506</u>	<u>\$ 128,126</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 3,139	\$ 6,525	\$ 1,454	\$ 211	\$ 11,329	\$ 16,725
Due To Other Funds	<u>-</u>	<u>26,378</u>	<u>-</u>	<u>28,650</u>	<u>55,028</u>	<u>26,378</u>
TOTAL LIABILITIES	<u>3,139</u>	<u>32,903</u>	<u>1,454</u>	<u>28,861</u>	<u>66,357</u>	<u>43,103</u>
FUND BALANCE						
Assigned:						
Unappropriated	66,281	17,230	-	-	83,511	92,555
Unassigned	<u>-</u>	<u>-</u>	<u>(963)</u>	<u>(9,399)</u>	<u>(10,362)</u>	<u>(7,532)</u>
TOTAL FUND BALANCE	<u>66,281</u>	<u>17,230</u>	<u>(963)</u>	<u>(9,399)</u>	<u>73,149</u>	<u>85,023</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 69,420</u>	<u>\$ 50,133</u>	<u>\$ 491</u>	<u>\$ 19,462</u>	<u>\$ 139,506</u>	<u>\$ 128,126</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO  
SPECIAL DISTRICTS - CANDLEWOOD PARK WATER  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 37,091	\$ 37,091	\$ -	\$ 36,041
Departmental Income	13,580	10,484	(3,096)	10,793
Use of Money and Property	10	150		8
Federal Aid	-	315	315	315
TOTAL REVENUES	<u>50,681</u>	<u>48,040</u>	<u>(2,781)</u>	<u>47,157</u>
EXPENDITURES				
Home and Community Services	40,932	29,325	11,607	30,904
Debt Service:				
Principal	7,500	7,500	-	6,930
Interest	<u>2,249</u>	<u>2,249</u>	<u>-</u>	<u>2,537</u>
TOTAL EXPENDITURES	<u>50,681</u>	<u>39,074</u>	<u>11,607</u>	<u>40,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	8,966	8,826	6,786
OTHER FINANCING SOURCES				
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	-	8,966	8,826	8,676
FUND BALANCE - Beginning of Year	<u>-</u>	<u>57,315</u>	<u>57,315</u>	<u>48,639</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 66,281</u>	<u>\$ 66,141</u>	<u>\$ 57,315</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO  
SPECIAL DISTRICTS - CROTON FALLS WATER  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 66,826	\$ 66,826	\$ -	\$ 64,717
Departmental Income	31,322	26,956	(4,366)	27,457
Use of Money and Property	<u>5</u>	<u>128</u>	<u>123</u>	<u>4</u>
TOTAL REVENUES	<u>98,153</u>	<u>93,910</u>	<u>(4,243)</u>	<u>92,178</u>
EXPENDITURES				
Home and Community Services	53,518	39,513	14,005	48,353
Debt Service:				
Principal	15,980	15,980	-	15,980
Interest	<u>13,655</u>	<u>13,655</u>	<u>-</u>	<u>14,174</u>
TOTAL EXPENDITURES	<u>83,153</u>	<u>69,148</u>	<u>14,005</u>	<u>78,507</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,000	24,762	9,762	13,671
OTHER FINANCING USES				
Operating Transfers Out	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	-	24,762	24,762	(1,329)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>(7,532)</u>	<u>(7,532)</u>	<u>(6,203)</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 17,230</u>	<u>\$ 17,230</u>	<u>\$ (7,532)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO  
SPECIAL DISTRICTS - SUNSET RIDGE WATER  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 84,819	\$ 84,819	\$ -	\$ 72,499
Departmental Income	37,128	37,320	192	35,950
Use of Money and Property	5	54	49	7
Federal Aid	-	86	86	86
	<u>121,952</u>	<u>122,279</u>	<u>327</u>	<u>108,542</u>
TOTAL REVENUES				
EXPENDITURES				
Home and Community Services	75,489	108,829	(33,340)	79,789
Debt Service:				
Principal	28,860	28,860	-	28,080
Interest	17,603	17,603	-	18,695
	<u>121,952</u>	<u>155,292</u>	<u>(33,340)</u>	<u>126,564</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(33,013)	(33,013)	(18,022)
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	515
	<u>-</u>	<u>-</u>	<u>-</u>	<u>515</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	-	(33,013)	(33,013)	(17,507)
FUND BALANCE - Beginning of Year	-	32,050	32,050	49,557
	<u>-</u>	<u>32,050</u>	<u>32,050</u>	<u>49,557</u>
FUND BALANCE - End of Year	\$ -	\$ (963)	\$ (963)	\$ 32,050
	<u>\$ -</u>	<u>\$ (963)</u>	<u>\$ (963)</u>	<u>\$ 32,050</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - SALEM ACRES WATER  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 22,351	\$ 22,827	\$ 476	\$ 18,000
Departmental Income	21,967	22,284	317	\$ 19,192
Use of Money and Property	<u>1</u>	<u>44</u>	<u>43</u>	<u>1</u>
TOTAL REVENUES	<u>44,319</u>	<u>45,155</u>	<u>836</u>	<u>37,193</u>
EXPENDITURES				
Home and Community Services	34,756	54,094	(19,338)	33,950
Debt Service:				
Principal	3,500	3,500	-	-
Interest	<u>150</u>	<u>150</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>38,406</u>	<u>57,744</u>	<u>(19,338)</u>	<u>33,950</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,913	(12,589)	(18,502)	3,243
OTHER FINANCING SOURCES (USES)				
Other Budgetary Purposes	<u>(5,913)</u>	<u>-</u>	<u>(5,913)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	-	(12,589)	(5,913)	3,243
FUND BALANCE - Beginning of Year	<u>-</u>	<u>3,190</u>	<u>3,190</u>	<u>(53)</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ (9,399)</u>	<u>\$ (15,312)</u>	<u>\$ 3,190</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
SPECIAL DISTRICTS FUND - CANDLEWOOD PARK DISTRICT  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 3,749	\$ 680
 TOTAL ASSETS	 <u>\$ 3,749</u>	 <u>\$ 680</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ -	\$ -
Due To Other Funds	<u>24,131</u>	<u>24,131</u>
 TOTAL LIABILITIES	 <u>24,131</u>	 <u>24,131</u>
 FUND BALANCE		
Unassigned	<u>(20,382)</u>	<u>(23,451)</u>
 TOTAL FUND BALANCE	 <u>(20,382)</u>	 <u>(23,451)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 3,749</u>	 <u>\$ 680</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO  
SPECIAL DISTRICTS - CANDLEWOOD PARK DISTRICT  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
REVENUES				
Real Property Taxes	\$ 10,263	\$ 10,263	\$ -	\$ 10,000
Use of Money and Property	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>
TOTAL REVENUES	<u>10,263</u>	<u>10,268</u>	<u>5</u>	<u>10,005</u>
EXPENDITURES				
Culture And Recreation	5,764	6,460	(696)	10,125
Debt Service:				
Principal	400	400	-	400
Interest	<u>352</u>	<u>339</u>	<u>13</u>	<u>352</u>
TOTAL EXPENDITURES	<u>6,516</u>	<u>7,199</u>	<u>(683)</u>	<u>10,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,747	3,069	(678)	(872)
OTHER FINANCING USES				
Other Budgetary Purposes	<u>(3,747)</u>	<u>-</u>	<u>3,747</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	3,069	(3,069)	(872)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>(23,451)</u>	<u>(23,451)</u>	<u>(22,579)</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ (20,382)</u>	<u>\$ (20,382)</u>	<u>\$ (23,451)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	HIGHWAY REPAIRS	HIGHWAY EQUIPMENT	CROTON FALLS PIPELINE	HIGHWAY SALT SHED ROOF	JB PARK IMPROVEMENTS	COURT BUILDING JUNE ROAD
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	44,809	20,264	-	-	-	6,710
Due From Other Funds	-	-	-	63,830	-	30,643
Due From State and Federal	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 44,809</u>	<u>\$ 20,264</u>	<u>\$ -</u>	<u>\$ 63,830</u>	<u>\$ -</u>	<u>\$ 37,353</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BAN Payable	-	-	-	-	-	-
Due To Other Funds	<u>48,748</u>	<u>5,935</u>	<u>166,137</u>	<u>63,830</u>	<u>16,252</u>	<u>11,177</u>
TOTAL LIABILITIES	<u>48,748</u>	<u>5,935</u>	<u>166,137</u>	<u>63,830</u>	<u>16,252</u>	<u>11,177</u>
FUND BALANCES						
Restricted	-	14,329	-	-	-	26,176
Unassigned	<u>(3,939)</u>	<u>-</u>	<u>(166,137)</u>	<u>-</u>	<u>(16,252)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>(3,939)</u>	<u>14,329</u>	<u>(166,137)</u>	<u>-</u>	<u>(16,252)</u>	<u>26,176</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 44,809</u>	<u>\$ 20,264</u>	<u>\$ -</u>	<u>\$ 63,830</u>	<u>\$ -</u>	<u>\$ 37,353</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	SUNSET RIDGE WATER RADIOLOGICAL	VALERIA CIRCLE BRIDGE	CROTON FALLS RECREATION BUILDING	LAND PURCHASE FRONT STREET	PURDY'S TRAIN STATION	CROTON FALLS HAMLET IMPROVEMENT
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	8,327	28,307	121,312	27,874	-
Due From Other Funds	141,940	-	-	-	-	-
Due From State and Federal	-	-	-	-	23,484	-
TOTAL ASSETS	<u>\$ 141,940</u>	<u>\$ 8,327</u>	<u>\$ 28,307</u>	<u>\$ 121,312</u>	<u>\$ 51,358</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 1,851	\$ -	\$ -	\$ -
BAN Payable	-	-	850,000	-	-	-
Due To Other Funds	-	2,891	62	-	-	137,960
TOTAL LIABILITIES	-	2,891	851,913	-	-	137,960
FUND BALANCES						
Restricted	141,940	5,436	-	121,312	51,358	-
Unassigned	-	-	(823,606)	-	-	(137,960)
TOTAL FUND BALANCES	<u>141,940</u>	<u>5,436</u>	<u>(823,606)</u>	<u>121,312</u>	<u>51,358</u>	<u>(137,960)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 141,940</u>	<u>\$ 8,327</u>	<u>\$ 28,307</u>	<u>\$ 121,312</u>	<u>\$ 51,358</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	CROTON FALLS DRAINAGE	SALEM ACRES WATER DISTRICT	POLICE GARAGE	POLICE VEHICLE	CANDLEWOOD PARK CONCRETE PILLARS	ELIMINATIONS	2022 TOTALS	2021 TOTALS
ASSETS								
Cash	-	-	-	-	-	-	-	165
Cash - Restricted	-	14,277	-	-	-	-	271,880	118,215
Due From Other Funds	-	-	-	-	47,000	(219,583)	63,830	-
Due From State and Federal	-	-	-	-	-	-	23,484	119,959
TOTAL ASSETS	-	14,277	-	-	47,000	(219,583)	359,194	238,339
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	-	1,016	-	-	-	-	2,867	832
BAN Payable	-	31,500	-	-	-	-	881,500	885,000
Due To Other Funds	206	-	1,335	-	47,000	(219,583)	281,950	240,894
TOTAL LIABILITIES	206	32,516	1,335	-	47,000	(219,583)	1,166,317	1,126,726
FUND BALANCES								
Restricted	-	-	-	-	-	-	360,551	338,019
Unassigned	(206)	(18,239)	(1,335)	-	-	-	(1,167,674)	(1,226,406)
TOTAL FUND BALANCES	(206)	(18,239)	(1,335)	-	-	-	(807,123)	(888,387)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 14,277	\$ -	\$ -	\$ 47,000	\$ (219,583)	\$ 359,194	\$ 238,339

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>HIGHWAY REPAIRS</u>	<u>HIGHWAY EQUIPMENT</u>	<u>CROTON FALLS PIPELINE</u>	<u>HIGHWAY SALT SHED ROOF</u>	<u>JB PARK IMPROVEMENTS</u>	<u>COURT BUILDING JUNE ROAD</u>
REVENUES						
Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid	-	-	-	-	-	-
Federal Aid	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital Outlay	-	-	-	-	220	-
TOTAL EXPENDITURES	-	-	-	-	220	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-	-	(220)	-
OTHER FINANCIAL SOURCES (USES)						
Operating Transfers In	-	-	-	63,830	-	-
BANs Redeemed From Appropriations	-	-	-	-	-	-
Proceeds of Installment Debt	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	63,830	(220)	-
FUND BALANCE - Beginning of Year	(3,939)	14,329	(166,137)	(63,830)	(16,032)	26,176
FUND BALANCE - End of Year	<u>\$ (3,939)</u>	<u>\$ 14,329</u>	<u>\$ (166,137)</u>	<u>\$ -</u>	<u>\$ (16,252)</u>	<u>\$ 26,176</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	SUNSET RIDGE WATER RADIOLOGICAL	VALERIA CIRCLE BRIDGE	CROTON FALLS RECREATION BUILDING	LAND PURCHASE FRONT STREET	PURDY'S TRAIN STATION	CROTON FALLS HAMLET IMPROVEMENT
REVENUES						
Use of Money and Property	\$ 588	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid	-	-	-	-	-	-
Federal Aid	-	-	-	-	23,484	-
TOTAL REVENUES	588	-	-	-	23,484	-
EXPENDITURES						
Capital Outlay	1,265	-	3,269	-	110	243
TOTAL EXPENDITURES	1,265	-	3,269	-	110	243
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(677)	-	(3,269)	-	23,374	(243)
OTHER FINANCIAL SOURCES (USES)						
Operating Transfers In	-	-	-	-	-	-
BANs Redeemed From Appropriations	-	-	-	-	-	-
Proceeds of Installment Debt	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(677)	-	(3,269)	-	23,374	(243)
FUND BALANCE - Beginning of Year	142,617	5,436	(820,337)	121,312	27,984	(137,717)
FUND BALANCE - End of Year	\$ 141,940	\$ 5,436	\$ (823,606)	\$ 121,312	\$ 51,358	\$ (137,960)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NORTH SALEM, NEW YORK  
CAPITAL PROJECTS FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	CROTON FALLS <u>DRAINAGE</u>	SALEM ACRES WATER <u>DISTRICT</u>	POLICE <u>GARAGE</u>	POLICE <u>VEHICLE</u>	CANDLEWOOD PARK CONCRETE <u>PILLARS</u>	<u>2022 TOTALS</u>	<u>2021 TOTALS</u>
REVENUES							
Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588	\$ 76
State Aid	-	-	-	-	50,000	50,000	219,959
Federal Aid	-	-	-	-	-	23,484	178,282
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,484</u>	<u>178,282</u>
TOTAL REVENUES	-	-	-	-	50,000	74,072	398,317
EXPENDITURES							
Capital Outlay	-	3,531	1,500	38,685	50,000	98,823	1,963,246
	<u>-</u>	<u>3,531</u>	<u>1,500</u>	<u>38,685</u>	<u>50,000</u>	<u>98,823</u>	<u>1,963,246</u>
TOTAL EXPENDITURES	-	3,531	1,500	38,685	50,000	98,823	1,963,246
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(3,531)	(1,500)	(38,685)	-	(24,751)	(1,564,929)
OTHER FINANCIAL SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	63,830	407,031
BANs Redeemed From Appropriations	-	3,500	-	-	-	3,500	-
Proceeds of Installment Debt	-	-	-	38,685	-	38,685	31,483
	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,685</u>	<u>-</u>	<u>38,685</u>	<u>31,483</u>
NET CHANGE IN FUND BALANCE	-	(31)	(1,500)	-	-	81,264	(1,126,415)
FUND BALANCE - Beginning of Year	(206)	(18,208)	165	-	-	(888,387)	238,028
	<u>(206)</u>	<u>(18,208)</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>(888,387)</u>	<u>238,028</u>
FUND BALANCE - End of Year	\$ (206)	\$ (18,239)	\$ (1,335)	\$ -	\$ -	\$ (807,123)	\$ (888,387)
	<u>\$ (206)</u>	<u>\$ (18,239)</u>	<u>\$ (1,335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (807,123)</u>	<u>\$ (888,387)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Supervisor and Town Board  
Of The Town of North Salem, New York  
North Salem, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Salem, New York as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of North Salem, New York's basic financial statements, and have issued our report thereon dated May 18, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of North Salem, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Salem, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of North Salem, New York's internal control.

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Cooper Arias, LLP*

Mongaup Valley, New York  
May 18, 2023