



Town of Queensbury

Financial Report

December 31, 2023

Town of Queensbury, New York

Financial Report

December 31, 2023

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Independent Auditor's Report

Supervisor and Town Board
Town of Queensbury, New York
Queensbury, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queensbury, New York (Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with GAAS 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'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's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents on pages 4 to 10 and 48 to 53, respectively, 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's basic financial statements. The combining and individual non-major fund financial statements on pages 54 to 55 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Latham, New York
August 27, 2024



Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Description

As management of the Town of Queensbury, New York (Town), we offer the readers of the Town's financial statements this narrative overview and analysis as of and for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with our basic financial statements, which can be found on pages 11 through 46 and our supplementary information which can be found on pages 47 through 54 of this report.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows on December 31, 2023 by \$25,340,820, representing net position. Of this amount, \$40,612,228 represents the Town's investment in capital assets net of related debt, and \$4,911,349 is restricted for future capital improvements and perpetual care for the Town's cemeteries. The remaining amount of \$(20,182,757) represents unrestricted net deficit.
- At December 31, 2023, the Town's governmental funds reported a combined ending fund balance of \$29,621,170. Of this total amount, \$18,678,359 was restricted and assigned for specific purposes, \$773,118 was nonspendable, and \$10,169,693 was unassigned.
- At December 31, 2023, the unreserved and unappropriated fund balance of the General Fund was \$10,169,693, or 48% of 2023 expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as sales and mortgage taxes held for distribution by the County of Warren, unbilled water and sewer rents for services provided during the year, interest payable on long-term debt, and vested sick leave benefits payable to eligible employees.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and assessment charges (business-type activities). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, and various home and community services. The business-type activities of the Town include operations of the Town's water districts, sewer districts, and refuse and garbage disposal and recycling services provided at the Town's landfill and transfer stations.

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Town did not have any fiduciary funds as of and for the year ended December 31, 2023.

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

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

The Town maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, and Fire Protection Fund, all of which are considered to be major funds. Data from the other four governmental funds (the Special Grant Fund, Cemetery Fund, Lighting Fund, and Aquatic District Fund) are combined into a single, aggregated presentation as Non-Major Governmental Funds.

The governmental fund financial statements can be found on pages 13 through 16 of this report.

Proprietary Funds. The Town utilizes enterprise funds to report the same function presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water Districts, Sewer Districts, Refuse and Garbage Disposal, and Recycling operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water operations, Sewer operations, and operation of the Town's Landfill and Transfer Stations, all of which are considered to be major funds of the Town.

The Town utilizes an internal service fund to account for certain workers' compensation and unemployment insurance costs.

The proprietary fund financial statements can be found on pages 17 through 19 of this report.

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Overview of the Financial Statements - Continued

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 46 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$25,340,820 at December 31, 2023.

By far, the largest portion of the Town's net position, \$40,612,228, reflects the Town's investment in capital assets. This portion of net position includes the cost of land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and work in progress, less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$4,911,349, represents resources that are subject to restrictions on how they may be used. The remaining balance of net position reflects a net deficit.

The following is a condensed statement of the Town's net position as of December 31, 2023:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|----------------------------------|------------------------------------|-------------------------------------|----------------------|
| Current assets | \$ 33,428,741 | \$ 12,828,573 | \$ 46,257,314 |
| Capital assets | 16,920,291 | 32,112,379 | 49,032,670 |
| Total assets | <u>50,349,032</u> | <u>44,940,952</u> | <u>95,289,984</u> |
| Deferred outflows of resources | <u>7,360,476</u> | <u>2,305,281</u> | <u>9,665,757</u> |
| Current liabilities | 7,661,769 | 2,831,557 | 10,493,326 |
| Long-term liabilities | 31,296,879 | 14,459,662 | 45,756,541 |
| Total liabilities | <u>38,958,648</u> | <u>17,291,219</u> | <u>56,249,867</u> |
| Deferred inflows of resources | <u>16,422,175</u> | <u>6,942,879</u> | <u>23,365,054</u> |
| Net position | | | |
| Net investment in capital assets | 15,140,791 | 25,471,437 | 40,612,228 |
| Restricted | 4,454,681 | 456,668 | 4,911,349 |
| Unrestricted (deficit) | <u>(17,266,787)</u> | <u>(2,915,970)</u> | <u>(20,182,757)</u> |
| Total net position | <u>\$ 2,328,685</u> | <u>\$ 23,012,135</u> | <u>\$ 25,340,820</u> |

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Overview of the Financial Statements - Continued

Government-Wide Financial Analysis - Continued

The following is a condensed statement of activities of the Town for 2023:

| | Year Ended December 31, 2023 | | |
|---|------------------------------|-----------------------------|---------------|
| | Governmental Activities | Business-Type Activities | Total |
| REVENUES | | | |
| Program revenues | | | |
| Charges for services | \$ 3,771,867 | \$ 6,401,707 | \$ 10,173,574 |
| Operating grants and contributions | 46,244 | - | 46,244 |
| Capital grants and contributions | 753,483 | - | 753,483 |
| General revenues | | | |
| Real property tax and related tax items | 9,012,945 | 1,878,283 | 10,891,228 |
| Non-property taxes | 13,474,167 | - | 13,474,167 |
| Other | 4,623,687 | 293,453 | 4,917,140 |
| Total revenues | 31,682,393 | 8,573,443 | 40,255,836 |
| EXPENSES | | | |
| General government activities | 6,085,726 | - | 6,085,726 |
| Public safety | 7,227,719 | - | 7,227,719 |
| Health | 173,517 | - | 173,517 |
| Transportation | 6,104,853 | - | 6,104,853 |
| Economic opportunity and development | 353,479 | - | 353,479 |
| Culture and recreation | 2,410,972 | - | 2,410,972 |
| Home and community service | 2,194,767 | - | 2,194,767 |
| Debt service | 65,031 | - | 65,031 |
| Water | - | 6,486,906 | 6,486,906 |
| Sewer | - | 2,388,331 | 2,388,331 |
| Landfill | - | 683,234 | 683,234 |
| Total expenses | 24,616,064 | 9,558,471 | 34,174,535 |
| Transfers, net | (1,732,117) | 1,732,117 | - |
| Change in net position | 5,334,212 | 747,089 | 6,081,301 |
| NET POSITION (DEFICT), beginning of year | (3,005,527) | 22,265,046 | 19,259,519 |
| NET POSITION, end of year | \$ 2,328,685 | \$ 23,012,135 | \$ 25,340,820 |

Financial Analysis of the Town's Funds

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

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Financial Analysis of the Town's Funds - Continued

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29,621,170, an increase of \$5,563,347 from the prior year. Portions of these fund balances are reserved to indicate that they are not available for new spending because they have already been committed to pay future capital improvements of \$3,754,674 and pay for perpetual care at the Town's cemeteries of \$700,007.

General Fund. The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the unreserved unappropriated fund balance of the General Fund was \$10,169,693, while total fund balance of the General Fund aggregated \$14,696,908. As a measure of the General Fund's liquidity, it is useful to compare both unreserved unappropriated fund balance and total fund balance to total fund expenditures. Unreserved unappropriated fund balance represents 48% of total General Fund expenditures and transfers out for 2023, while total fund balance represents 70% of the same amount.

The fund balance of the General Fund increased \$1,083,028 from the prior year primarily because sales taxes and other revenue sources were higher than expected (budgeted) and general government and employee benefit expenditures which were lower than expected.

The main revenue source for the General Fund is derived from sales and use taxes, which are distributed from the County of Warren to all Towns and the Village and City located within the County. Together with our similar user taxes, non-property tax revenue and mortgage tax revenue for 2023 totaled \$13,474,167, representing 61% of total General Fund revenues.

The Town's has adopted a policy that seeks to achieve a minimum level of unrestricted fund balance equal to no less than three months of regular expenditures. Funds in excess of the minimum at the end of each fiscal year are generally allocated towards capital expenditures including equipment, infrastructure or capital reserves. In the event of no surplus, required capital investments may be financed through established reserves.

Highway Fund. The Highway Fund is one of the Town's major governmental funds. It is utilized to account for revenues needed to maintain, repair, and improve Town roads, provide snow removal services, and provide other transportation services for Town residents and organizations. The main revenue source for the Highway Fund is an annual transfer of resources from the General Fund, funded primarily from non-property taxes. During 2023, the General Fund contributed \$5,707,904 to the Highway Fund, which ended the year with a fund balance of \$2,990,895.

Capital Projects Fund. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds. The fund balance at December 31, 2023 is assigned for capital project purposes.

Fire Protection District Fund. The Fire Protection District Fund is also a major governmental fund. It is utilized to account for real property taxes levied annually, and other applicable revenues generated to finance contracts for fire protection and emergency medical services. The Fire Protection District Fund received \$5,486,795 in real property taxes during 2023 and ended the year with a fund balance of \$7,220,619. In accordance with GASB Statement No. 73, the Town accounts for and reports assets and liabilities related to the Town sponsored service award programs for volunteer firefighters and ambulance workers within the fund financial statements.

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Financial Analysis of the Town's Funds - Continued

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Town maintains three enterprise funds and one internal service fund.

Water District Fund. The Water District Fund is reported as an enterprise fund. The Water District Fund ended 2023 with net position of \$14,992,942 which is an increase of \$791,598 from the prior year. Net position includes \$19,441,772 representing the Town's investment in water capital assets, net of related debt, and \$298,619 which is restricted for capital improvements. The remaining unrestricted net position is a deficit of \$4,747,449.

Sewer District Fund. The Sewer District Fund is reported as an enterprise fund. The Sewer District Fund ended 2023 with net position of \$7,461,317 which is an increase of \$67,917 from the prior year. Net position includes \$5,674,971 representing the Town's investment in sewer capital assets, net of related debt. The remaining unrestricted net position of \$1,786,346 can be used for ongoing sewer operations.

Landfill/Transfer Stations Fund. The Landfill/Transfer Stations Fund is also reported as an enterprise fund. The Landfill/Transfer Stations Fund ended 2023 with net position of \$557,876, which is a decrease of \$112,426 from the prior year. Net position includes \$354,694 representing the Town's investment in capital assets and \$158,049 representing amounts restricted for future capital improvements. The remaining unrestricted net position of \$45,133 can be used for ongoing landfill/transfer station operations.

Governmental Fund Budgetary Highlights

Budgetary comparison statements for the Town's General Fund, Highway Fund, and Fire Protection Fund are included on pages 51 through 53 of this report.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$49,032,670 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, work in progress, and infrastructure assets, such as roads, water systems, and sewer systems.

Major capital assets events that occurred during the current fiscal year included the following:

- Acquisition of highway equipment;
- Continued construction of Town water mains.

Additional information on the Town's capital assets can be found in Note 6 on pages 30 and 31 of this report.

Long-Term Debt. At December 31, 2023, the Town had outstanding debt of \$1,779,500 relating to the Main Street reconstruction and \$5,336,197 for sewer district purposes, for a total of \$7,115,697. Debt of the Town is general obligation debt backed by the full faith and credit of the Town.

The Town was rated "Aa2" by Moody's Investor Services as of December 2022.

Additional information on the Town's long-term debt can be found in Note 8 on pages 32 and 33 of this report.

Town of Queensbury, New York

Management's Discussion and Analysis December 31, 2023

Capital Asset and Debt Administration - Continued

Economic Factors

The Town has approximately 29,000 residents and is the County Seat of Warren County, which is located in the southern Adirondack Region of northeastern New York, just north of Saratoga County and the Albany Capital District area.

The Town borders the southern end of Lake George, a well-known summer destination, and is home to the Great Escape Theme Park operated by Six Flags and a factory outlet mall, both of which are popular tourist attractions. Business and government operations within the Town and the County offer numerous recreational and tourism opportunities with several lakes, rivers, streams, mountains, ski centers, hiking trails, snowmobile trails, a newly added trampoline park, and other popular tourist attractions.

The Town is located twenty miles from the Saratoga Racecourse, one of the oldest and most prestigious thoroughbred horse racing tracks in the United States. Each summer, the racetrack operates a six-week schedule of races that attracts world-class horses to participate in various graded events.

With the area's successful tourism industry and its increasing population and both large and small businesses, including several medical manufacturers, Warren County has been able to generate additional revenues from sales tax and hotel occupancy tax.

The County distributes a portion of this revenue source with all Towns and the Village and City located within the County. Since the Town of Queensbury is the largest and most populous municipality within the County, the Town receives a significant amount of these shared revenues. The Town has used these shared revenues to finance governmental activities that promote the Town both on a local and national level for both tourist and business activities.

Request for Information

This financial report is designed to provide a general overview of the Town's financial activity for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Queensbury
Accounting Department
742 Bay Road
Queensbury, New York 12804

Town of Queensbury, New York

Government-Wide Financial Statements Statement of Net Position

| | December 31, 2023 | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 13,181,792 | \$ 6,514,264 | \$ 19,696,056 |
| Receivables, net | 5,664,165 | 2,713,431 | 8,377,596 |
| Inventories | 75,362 | - | 75,362 |
| Prepaid expenses | 755,361 | 108,652 | 864,013 |
| Cash, cash equivalents and investments, restricted | 4,454,681 | 1,249,742 | 5,704,423 |
| Investments | 9,297,380 | 414,392 | 9,711,772 |
| Leases receivable | - | 1,828,092 | 1,828,092 |
| Capital assets, not being depreciated | 5,847,715 | 1,140,167 | 6,987,882 |
| Capital assets, net of accumulated depreciation | 11,072,576 | 30,972,212 | 42,044,788 |
| Total assets | 50,349,032 | 44,940,952 | 95,289,984 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension deferrals | 3,317,067 | 1,038,896 | 4,355,963 |
| OPEB deferrals | 4,043,409 | 1,266,385 | 5,309,794 |
| | 7,360,476 | 2,305,281 | 9,665,757 |
| LIABILITIES | | | |
| Accounts and other payables | 1,703,583 | 792,058 | 2,495,641 |
| Accrued liabilities | 129,819 | 60,320 | 190,139 |
| Deposits | 254,651 | 39,270 | 293,921 |
| Bond anticipation notes payable | - | 1,304,745 | 1,304,745 |
| Interest payable | 21,391 | 27,274 | 48,665 |
| Compensated absences | 244,143 | 24,852 | 268,995 |
| Due to other governments | 55,111 | 192,018 | 247,129 |
| Unearned revenues | 1,008,532 | - | 1,008,532 |
| Service awards | 4,069,039 | - | 4,069,039 |
| Long-term liabilities | | | |
| Due within one year | 175,500 | 391,020 | 566,520 |
| Due in more than one year | 31,296,879 | 14,459,662 | 45,756,541 |
| Total liabilities | 38,958,648 | 17,291,219 | 56,249,867 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension deferrals | 162,815 | 50,994 | 213,809 |
| Leases | - | 1,799,487 | 1,799,487 |
| OPEB deferrals | 16,259,360 | 5,092,398 | 21,351,758 |
| | 16,422,175 | 6,942,879 | 23,365,054 |
| NET POSITION | | | |
| Net investment in capital assets | 15,140,791 | 25,471,437 | 40,612,228 |
| Restricted for | | | |
| Capital improvements | 3,754,674 | 456,668 | 4,211,342 |
| Cemetery perpetual care | 700,007 | - | 700,007 |
| Unrestricted (deficit) | (17,266,787) | (2,915,970) | (20,182,757) |
| Total net position | \$ 2,328,685 | \$ 23,012,135 | \$ 25,340,820 |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2023

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenues and Change in Net Position | | |
|--|----------------------|----------------------------|--|--|---|-----------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| General governmental support | \$ 6,085,726 | \$ 37,190 | \$ - | \$ - | \$ (6,048,536) | \$ - | \$ (6,048,536) |
| Public safety | 7,227,719 | 2,309,411 | - | - | (4,918,308) | - | (4,918,308) |
| Health | 173,517 | 13,260 | - | - | (160,257) | - | (160,257) |
| Transportation | 6,104,853 | - | - | 753,483 | (5,351,370) | - | (5,351,370) |
| Economic opportunity and development | 353,479 | - | - | - | (353,479) | - | (353,479) |
| Culture and recreation | 2,410,972 | 433,191 | - | - | (1,977,781) | - | (1,977,781) |
| Home and community service | 2,194,767 | 978,815 | 46,244 | - | (1,169,708) | - | (1,169,708) |
| Interest on debt | 65,031 | - | - | - | (65,031) | - | (65,031) |
| Total governmental activities | <u>24,616,064</u> | <u>3,771,867</u> | <u>46,244</u> | <u>753,483</u> | <u>(20,044,470)</u> | <u>-</u> | <u>(20,044,470)</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Water | 6,486,906 | 4,097,628 | - | - | - | (2,389,278) | (2,389,278) |
| Sewer | 2,388,331 | 1,763,162 | - | - | - | (625,169) | (625,169) |
| Landfill | 683,234 | 540,917 | - | - | - | (142,317) | (142,317) |
| Total business-type activities | <u>9,558,471</u> | <u>6,401,707</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,156,764)</u> | <u>(3,156,764)</u> |
| Total primary governmental | <u>\$ 34,174,535</u> | <u>\$ 10,173,574</u> | <u>\$ 46,244</u> | <u>\$ 753,483</u> | <u>(20,044,470)</u> | <u>(3,156,764)</u> | <u>(23,201,234)</u> |
| GENERAL REVENUES | | | | | | | |
| Real property tax and related tax items | | | | | 9,012,945 | 1,878,283 | 10,891,228 |
| Non-property taxes | | | | | 13,474,167 | - | 13,474,167 |
| Interest earnings | | | | | 1,058,410 | 198,730 | 1,257,140 |
| Sale of property and compensation for loss | | | | | 244,722 | - | 244,722 |
| Miscellaneous general revenues | | | | | 329,979 | - | 329,979 |
| Federal aid not restricted to specific purposes | | | | | 1,732,117 | - | 1,732,117 |
| State aid and mortgage taxes not restricted to specific purposes | | | | | 1,258,459 | - | 1,258,459 |
| Miscellaneous other revenues | | | | | - | 94,723 | 94,723 |
| Total general revenues | | | | | <u>27,110,799</u> | <u>2,171,736</u> | <u>29,282,535</u> |
| TRANSFERS, NET | | | | | <u>(1,732,117)</u> | <u>1,732,117</u> | <u>-</u> |
| Total general revenues and transfers, net | | | | | <u>25,378,682</u> | <u>3,903,853</u> | <u>29,282,535</u> |
| CHANGE IN NET POSITION | | | | | 5,334,212 | 747,089 | 6,081,301 |
| NET POSITION (DEFICIT), beginning of year | | | | | <u>(3,005,527)</u> | <u>22,265,046</u> | <u>19,259,519</u> |
| NET POSITION, end of year | | | | | <u>\$ 2,328,685</u> | <u>\$ 23,012,135</u> | <u>\$ 25,340,820</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Balance Sheet - Governmental Funds

| | December 31, 2023 | | | | |
|--|----------------------|---------------------|---------------------|-----------------------|----------------------|
| | Major Funds | | | Other | |
| | General | Highway | Fire Protection | Governmental Funds | Total |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,950,247 | \$ 2,847,692 | \$ 3,090,360 | \$ 4,171,591 | \$ 13,059,890 |
| Receivables from other governments | 4,111,744 | 223,405 | - | 189,779 | 4,524,928 |
| Other receivables, net of uncollectibles | 289,331 | 31,269 | 333,756 | 70,860 | 725,216 |
| Due from other funds | 309,744 | 104,277 | - | - | 414,021 |
| Prepaid expenses | 338,896 | 160,020 | 37,949 | 27,608 | 564,473 |
| Investments | 5,228,341 | - | 4,069,039 | - | 9,297,380 |
| Cash and investments, restricted | 3,754,674 | - | - | 700,007 | 4,454,681 |
| | \$ 16,982,977 | \$ 3,366,663 | \$ 7,531,104 | \$ 5,159,845 | \$ 33,040,589 |
| LIABILITIES AND AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 280,788 | \$ 178,257 | \$ 4,498 | \$ 127,677 | \$ 591,220 |
| Accrued liabilities | 82,667 | 37,476 | - | 9,676 | 129,819 |
| Deposits | 97,582 | 157,069 | - | - | 254,651 |
| Due to other governments | 55,111 | - | - | - | 55,111 |
| Due to other funds | 738,389 | - | - | 309,744 | 1,048,133 |
| Unearned revenue | 1,008,532 | - | - | - | 1,008,532 |
| Service awards | - | - | 272,611 | - | 272,611 |
| Other payables | 23,000 | 2,966 | 33,376 | - | 59,342 |
| Total liabilities | 2,286,069 | 375,768 | 310,485 | 447,097 | 3,419,419 |
| Fund balances | | | | | |
| Nonspendable | 547,541 | 160,020 | 37,949 | 27,608 | 773,118 |
| Restricted for capital reserve purposes | 3,754,674 | - | - | - | 3,754,674 |
| Restricted for other purposes | - | - | - | 700,007 | 700,007 |
| Assigned, appropriated | 225,000 | - | - | - | 225,000 |
| Assigned, unappropriated | - | 2,830,875 | 7,182,670 | 3,985,133 | 13,998,678 |
| Unassigned | 10,169,693 | - | - | - | 10,169,693 |
| Total fund balances | 14,696,908 | 2,990,895 | 7,220,619 | 4,712,748 | 29,621,170 |
| | \$ 16,982,977 | \$ 3,366,663 | \$ 7,531,104 | \$ 5,159,845 | \$ 33,040,589 |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Reconciliation of the Total Fund Balances in the Governmental Funds to the Statement of Net Position

| | December 31, 2023 |
|---|------------------------------|
| Total fund balances in the fund financial statements for the governmental funds | \$ 29,621,170 |
| This amount differs from the amount of net position shown in the statement of net position due to the following: | |
| Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation. | 16,920,291 |
| Inventories of materials and supplies are included as assets in the governmental activities. | 75,362 |
| Prepaid retirement expense is recognized as a deferred outflow of resources in the statement of net position. | 190,888 |
| Deferred outflows of resources related to the net pension liability are recognized on the statement of net position. | 3,317,067 |
| Deferred inflows of resources related to the net pension liability are recognized on the statement of net position. | (162,815) |
| Liabilities for interest payable are included as liabilities of the governmental activities and are deducted. | (21,391) |
| Long-term governmental liabilities for bonds payable are included as liabilities of the governmental activities and are deducted. | (1,779,500) |
| Long-term governmental liabilities for compensated absences are included as liabilities of the governmental activities and are deducted. | (244,143) |
| Long-term governmental liabilities for OPEB costs are included as liabilities of the governmental activities and are deducted. | (25,722,575) |
| Deferred outflows of resources related to OPEB costs are recognized on the statement of net position. | 4,043,409 |
| Deferred inflows of resources related to OPEB costs are recognized on the statement of net position. | (16,259,360) |
| The net pension liability is included as a liability of the governmental activities | (3,970,304) |
| Long-term liabilities for service awards payable under the Length of Service Award Program are included as a liability of the governmental activities and are deducted. | (3,796,428) |
| Net position of the internal service fund is included in governmental activities. | 117,014 |
| Total net position per the statement of net position | \$ 2,328,685 |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

| | Year Ended December 31, 2023 | | | | | |
|--|------------------------------|----------------------------|----------------------------|----------------------------|--------------------|-----------------------------|
| | Major Funds | | | Other | | Total |
| | General | Highway | Fire Protection | Governmental Funds | Eliminations | |
| REVENUES | | | | | | |
| Real property taxes | \$ 3,352,727 | \$ - | \$ 5,486,795 | \$ 210,400 | \$ - | \$ 9,049,922 |
| Real property tax items | 104,259 | - | 37,653 | - | - | 141,912 |
| Non-property taxes | 13,474,167 | - | - | - | - | 13,474,167 |
| Departmental income | 541,049 | - | 1,859,786 | 658,634 | - | 3,059,469 |
| Use of money and property | 461,421 | 408 | 595,745 | 836 | - | 1,058,410 |
| Licenses and permits | 275,119 | - | - | - | - | 275,119 |
| Fines and forfeitures | 437,279 | - | - | - | - | 437,279 |
| Sale of property and compensation for loss | 44,184 | 50,539 | - | 150,000 | - | 244,723 |
| Miscellaneous | 280,897 | 1,217 | - | 47,865 | - | 329,979 |
| Interfund revenues | 191,427 | - | - | - | (191,427) | - |
| State aid | 1,258,459 | 753,483 | - | 46,244 | - | 2,058,186 |
| Federal aid | 1,732,117 | - | - | - | - | 1,732,117 |
| Total revenues | <u>22,153,105</u> | <u>805,647</u> | <u>7,979,979</u> | <u>1,113,979</u> | <u>(191,427)</u> | <u>31,861,283</u> |
| EXPENDITURES | | | | | | |
| General government support | 4,037,406 | 9,681 | - | - | - | 4,047,087 |
| Public safety | 613,612 | - | 5,988,702 | - | - | 6,602,314 |
| Health | 2,000 | - | - | 57,250 | - | 59,250 |
| Transportation | 548,313 | 2,720,940 | - | 131,980 | - | 3,401,233 |
| Economic opportunity and development | 353,479 | - | - | - | - | 353,479 |
| Culture and recreation | 1,463,992 | - | - | - | - | 1,463,992 |
| Employee benefits | 2,748,548 | 1,323,570 | 349,897 | 269,994 | (191,427) | 4,500,582 |
| Home and community service | 827,606 | - | - | 644,011 | - | 1,471,617 |
| Debt service | | | | | | |
| Principal | 172,000 | - | - | - | - | 172,000 |
| Interest | 66,751 | - | - | - | - | 66,751 |
| Capital outlay | | | | | | |
| General government support | 160,617 | - | - | 562,262 | - | 722,879 |
| Transportation | 21,638 | 1,334,282 | - | - | - | 1,355,920 |
| Culture and recreation | - | - | - | 309,975 | - | 309,975 |
| Home and community service | - | - | - | 38,740 | - | 38,740 |
| Total expenditures | <u>11,015,962</u> | <u>5,388,473</u> | <u>6,338,599</u> | <u>2,014,212</u> | <u>(191,427)</u> | <u>24,565,819</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers-in | 6,311 | 5,707,904 | - | 2,620,405 | - | 8,334,620 |
| Transfers-out | (10,060,426) | - | - | (6,311) | - | (10,066,737) |
| Total other financing sources (uses) | <u>(10,054,115)</u> | <u>5,707,904</u> | <u>-</u> | <u>2,614,094</u> | <u>-</u> | <u>(1,732,117)</u> |
| Net change in fund balances | 1,083,028 | 1,125,078 | 1,641,380 | 1,713,861 | - | 5,563,347 |
| FUND BALANCES, beginning of year | <u>13,613,880</u> | <u>1,865,817</u> | <u>5,579,239</u> | <u>2,998,887</u> | <u>-</u> | <u>24,057,823</u> |
| FUND BALANCES, end of year | <u>\$ 14,696,908</u> | <u>\$ 2,990,895</u> | <u>\$ 7,220,619</u> | <u>\$ 4,712,748</u> | <u>\$ -</u> | <u>\$ 29,621,170</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Change in Net Position Shown in the Statement of Activities

| | | <u>Year Ended December 31, 2023</u> |
|---|---|---|
| Net change in fund balances shown for total governmental funds. | | \$ 5,563,347 |
| <p>This amount differs from the change in net position shown in the statement of activities and change in net position because of the following:</p> | | |
| <p>Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between expenditures for acquisition of capital assets and depreciation expense for the period.</p> | | |
| | Capital acquisitions | 909,219 |
| | Net dispositions | (193,046) |
| | Depreciation expense | <u>(1,140,891)</u> |
| | | (424,718) |
| <p>Major revenues are recorded in the governmental funds when they become susceptible to accrual; that is, when they are earned, measurable, and available to provide current financial resources. In the statement of activities, major revenues are recognized when they are earned and measurable, regardless of when they become available. This is the amount by which earned revenues for sales tax and mortgage tax for the current period differs from the amount of prior year earned revenues not recognized as being available in the governmental funds until the current period.</p> | | |
| | | (178,889) |
| <p>Governmental funds report the annual contribution to the System as retirement expense. The prior year contribution is recognized as an expense, as well as the change in the net pension liability and the deferred inflows and deferred outflows created as a result of this change:</p> | | |
| | Change in net pension asset (liability) | (5,333,323) |
| | Change in deferred outflows of resources | 510,897 |
| | Change in deferred inflows of resources | <u>4,485,839</u> |
| | | (336,587) |
| <p>Bond proceeds provide current year financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p> | | |
| | Principal paid on bonds | 172,000 |
| <p>The cost of acquiring inventory of material and supplies is included as expenditures in the governmental funds. In the government-wide financial statements, inventory at year-end is included as an asset.</p> | | |
| | | (135,595) |
| <p>Some expenses and changes in deferred outflows of resources reported in the statement of activities and change in net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include:</p> | | |
| | Accrued interest | 1,720 |
| | Compensated absences | (60,495) |
| | Service awards | (394,986) |
| | Change in OPEB deferred outflows of resources | (3,031,298) |
| | Change in OPEB deferred inflows of resources | (382,565) |
| | Other postemployment benefit obligation payable | <u>4,547,119</u> |
| | | 679,495 |
| <p>Internal service fund transactions are reported separately in the fund financial statements. In the government-wide financial statements, internal service fund transactions are included in governmental activities. This is the net result of the internal service fund revenues and expenses that are included in governmental activities.</p> | | |
| | | <u>(4,841)</u> |
| Change in net position of governmental activities | | <u>\$ 5,334,212</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Statement of Net Position - Proprietary Funds

| | December 31, 2023 | | | | Governmental Internal Service |
|---|--------------------------|---------------------|-------------------|----------------------|-------------------------------------|
| | Business-Type Activities | | | Total | |
| | Enterprise Funds | | | | |
| Water | Sewer | Landfill | | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 3,281,860 | \$ 2,818,818 | \$ 413,586 | \$ 6,514,264 | \$ 121,902 |
| Receivables, net | 1,402,540 | 634,255 | 41,600 | 2,078,395 | - |
| Due from other funds | 634,290 | - | 746 | 635,036 | - |
| Investments | 414,392 | - | - | 414,392 | - |
| Prepaid expenses | 81,538 | 14,656 | 12,458 | 108,652 | - |
| Cash and cash equivalents, restricted | 298,619 | - | 951,123 | 1,249,742 | - |
| Leases receivable | 1,828,092 | - | - | 1,828,092 | - |
| Capital assets, not being depreciated | 970,778 | 83,952 | 85,437 | 1,140,167 | - |
| Capital assets, net of accumulated depreciation | 19,509,239 | 11,193,716 | 269,257 | 30,972,212 | - |
| Total assets | <u>28,421,348</u> | <u>14,745,397</u> | <u>1,774,207</u> | <u>44,940,952</u> | <u>121,902</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension deferrals | 799,318 | 125,016 | 114,562 | 1,038,896 | - |
| OPEB deferrals | 974,347 | 152,391 | 139,647 | 1,266,385 | - |
| | <u>1,773,665</u> | <u>277,407</u> | <u>254,209</u> | <u>2,305,281</u> | <u>-</u> |
| LIABILITIES | | | | | |
| Accounts payable | 759,907 | 14,627 | 16,600 | 791,134 | 4,888 |
| Accrued liabilities | 47,980 | 5,912 | 6,428 | 60,320 | - |
| Deposits | - | 39,270 | - | 39,270 | - |
| Due to other governments | - | 192,018 | - | 192,018 | - |
| Due to other funds | 924 | - | - | 924 | - |
| Bond anticipation notes payable | 1,038,245 | 266,500 | - | 1,304,745 | - |
| Interest payable | - | 27,274 | - | 27,274 | - |
| Compensated absences | 24,852 | - | - | 24,852 | - |
| Bonds payable | - | 5,336,197 | - | 5,336,197 | - |
| Landfill post-closure costs | - | - | 50,156 | 50,156 | - |
| Net pension liability | 956,731 | 149,636 | 137,124 | 1,243,491 | - |
| OPEB liability | 6,616,663 | 911,120 | 693,055 | 8,220,838 | - |
| Total liabilities | <u>9,445,302</u> | <u>6,942,554</u> | <u>903,363</u> | <u>17,291,219</u> | <u>4,888</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension deferrals | 39,234 | 6,136 | 5,624 | 50,994 | - |
| Leases | 1,799,487 | - | - | 1,799,487 | - |
| OPEB deferrals | 3,918,048 | 612,797 | 561,553 | 5,092,398 | - |
| | <u>5,756,769</u> | <u>618,933</u> | <u>567,177</u> | <u>6,942,879</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 19,441,772 | 5,674,971 | 354,694 | 25,471,437 | - |
| Restricted for | | | | | |
| Capital improvements | 298,619 | - | 158,049 | 456,668 | - |
| Unrestricted (deficit) | <u>(4,747,449)</u> | <u>1,786,346</u> | <u>45,133</u> | <u>(2,915,970)</u> | <u>117,014</u> |
| Total net position | <u>\$ 14,992,942</u> | <u>\$ 7,461,317</u> | <u>\$ 557,876</u> | <u>\$ 23,012,135</u> | <u>\$ 117,014</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

| | Year Ended December 31, 2023 | | | | Governmental Internal Service |
|--|------------------------------|---------------------|-------------------|----------------------|-------------------------------------|
| | Business-Type Activities | | | | |
| | Enterprise Funds | | | | |
| Water | Sewer | Landfill | Total | | |
| OPERATING REVENUES | | | | | |
| Water sales and services | \$ 4,097,628 | \$ - | \$ - | \$ 4,097,628 | \$ - |
| Sewer sales and services | - | 1,763,162 | - | 1,763,162 | - |
| Landfill and transfer station charges | - | - | 540,917 | 540,917 | - |
| Total operating revenues | <u>4,097,628</u> | <u>1,763,162</u> | <u>540,917</u> | <u>6,401,707</u> | <u>-</u> |
| OPERATING EXPENSES | | | | | |
| Costs of sales and services | 5,461,582 | 1,769,639 | 645,620 | 7,876,841 | 4,888 |
| Depreciation | 989,832 | 472,562 | 37,614 | 1,500,008 | - |
| Total operating expenses | <u>6,451,414</u> | <u>2,242,201</u> | <u>683,234</u> | <u>9,376,849</u> | <u>4,888</u> |
| Operating loss | <u>(2,353,786)</u> | <u>(479,039)</u> | <u>(142,317)</u> | <u>(2,975,142)</u> | <u>(4,888)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Real property taxes levied for water and sewer purposes | 1,229,460 | 648,823 | - | 1,878,283 | - |
| Interest earnings | 124,576 | 44,263 | 29,891 | 198,730 | 47 |
| Other | 94,723 | - | - | 94,723 | - |
| Interest expense | (35,492) | (146,130) | - | (181,622) | - |
| Total nonoperating revenues | <u>1,413,267</u> | <u>546,956</u> | <u>29,891</u> | <u>1,990,114</u> | <u>47</u> |
| Income (loss) before other financing sources (uses) | <u>(940,519)</u> | <u>67,917</u> | <u>(112,426)</u> | <u>(985,028)</u> | <u>(4,841)</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers-in | 1,732,117 | - | - | 1,732,117 | - |
| CHANGE IN NET POSITION | <u>791,598</u> | <u>67,917</u> | <u>(112,426)</u> | <u>747,089</u> | <u>(4,841)</u> |
| NET POSITION, beginning of year | <u>14,201,344</u> | <u>7,393,400</u> | <u>670,302</u> | <u>22,265,046</u> | <u>121,855</u> |
| NET POSITION, end of year | <u>\$ 14,992,942</u> | <u>\$ 7,461,317</u> | <u>\$ 557,876</u> | <u>\$ 23,012,135</u> | <u>\$ 117,014</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

| | Year Ended December 31, 2023 | | | | |
|---|------------------------------|----------------------------|----------------------------|------------------------------|-------------------------------------|
| | Business-Type Activities | | | | Governmental Internal Service |
| | Enterprise Funds | | | | |
| | Water | Sewer | Landfill | Total | |
| CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Cash received from customers | \$ 4,026,727 | \$ 1,749,710 | \$ 539,442 | \$ 6,315,879 | \$ - |
| Cash paid to employees | (2,764,187) | (414,762) | (375,512) | (3,554,461) | 4,888 |
| Cash paid to contractors and suppliers | (2,947,603) | (1,603,620) | (460,177) | (5,011,400) | (4,888) |
| Net cash used by operating activities | <u>(1,685,063)</u> | <u>(268,672)</u> | <u>(296,247)</u> | <u>(2,249,982)</u> | <u>-</u> |
| CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Cash received from real property taxes | 1,229,460 | 648,823 | - | 1,878,283 | - |
| CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchases of capital assets | (618,155) | - | - | (618,155) | - |
| Leases and other | 131,521 | - | 8,693 | 140,214 | - |
| Repayment of bond anticipation note | (561,755) | (133,250) | - | (695,005) | - |
| Principal paid on long-term debt | (190,000) | (382,772) | - | (572,772) | - |
| Interest paid on long-term debt | (35,493) | (146,130) | - | (181,623) | - |
| Intergovernmental transfers, net | 1,732,117 | - | - | 1,732,117 | - |
| Net cash provided (used) by capital and related financing activities | <u>458,235</u> | <u>(662,152)</u> | <u>8,693</u> | <u>(195,224)</u> | <u>-</u> |
| CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES | | | | | |
| Redemptions (purchases) of investments | (19,772) | - | 507,630 | 487,858 | - |
| Interest earnings | 124,576 | 44,263 | 29,891 | 198,730 | 47 |
| Net cash provided by investing activities | <u>104,804</u> | <u>44,263</u> | <u>537,521</u> | <u>686,588</u> | <u>47</u> |
| Net increase (decrease) in cash and cash equivalents | 107,436 | (237,738) | 249,967 | 119,665 | 47 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>3,473,043</u> | <u>3,056,556</u> | <u>1,114,742</u> | <u>7,644,341</u> | <u>121,855</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 3,580,479</u> | <u>\$ 2,818,818</u> | <u>\$ 1,364,709</u> | <u>\$ 7,764,006</u> | <u>\$ 121,902</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating loss | \$ (2,353,786) | \$ (479,039) | \$ (142,317) | \$ (2,975,142) | \$ (4,888) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities | | | | | |
| Depreciation expense | 989,832 | 472,562 | 37,614 | 1,500,008 | - |
| Changes in assets and liabilities | | | | | |
| Receivables, net | (7,023) | (13,452) | (1,475) | (21,950) | - |
| Prepaid expenses | (21,475) | (3,715) | (6,194) | (31,384) | - |
| Pension deferred outflows of resources | (273) | (12,709) | (20,973) | (33,955) | - |
| OPEB deferred outflows of resources | 791,298 | 96,647 | 98,197 | 986,142 | - |
| Accounts payable | 590,137 | (440,698) | (178,667) | (29,228) | 4,888 |
| Accrued liabilities | (1,172) | 1,224 | 185 | 237 | - |
| Interest payable | (1,346) | (1,945) | - | (3,291) | - |
| Due to/from other activities | (624,339) | 191,595 | (746) | (433,490) | - |
| Compensated absences | (6,688) | - | - | (6,688) | - |
| Deposits | - | (481) | - | (481) | - |
| OPEB liability | (1,095,727) | (171,375) | (157,044) | (1,424,146) | - |
| Net pension liability | 1,301,979 | 198,161 | 177,561 | 1,677,701 | - |
| Landfill post-closure costs | - | - | 2,113 | 2,113 | - |
| Leases deferred inflows of resources | (63,878) | - | - | (63,878) | - |
| Pension deferred inflows of resources | (1,138,253) | (159,362) | (132,291) | (1,429,906) | - |
| OPEB deferred inflows of resources | (44,349) | 53,915 | 27,790 | 37,356 | - |
| | <u>\$ (1,685,063)</u> | <u>\$ (268,672)</u> | <u>\$ (296,247)</u> | <u>\$ (2,249,982)</u> | <u>\$ -</u> |

See accompanying Notes to Financial Statements.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Queensbury, New York (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

a. Financial Reporting Entity

The Town, which was established in 1762, is governed by its Town Charter, and other general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council persons, all elected. The Town Supervisor serves as the chief executive and fiscal officer. As authorized by Town Law 3 §34, the Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance, and other general services.

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Town and/or its citizens, or whether the activity is conducted within geographic boundaries of the Town and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based on the application of these criteria, the Town has determined it has no component units.

The Economic Development Corporation (EDC) is a not-for-profit corporation created to promote economic development within Warren County. Members of the EDC are not appointed by the Town Board. EDC members have complete responsibility for management of the agency and accountability for fiscal matters. The Town is not liable for EDC bonds or notes. The Town has entered into an agreement with the EDC for services in the amount of \$114,000 for the year ended December 31, 2023. The EDC is not considered a component unit of the Town.

b. Government-Wide and Fund Financial Statements

The governmental reporting model has the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all nonfiduciary activities of the Town, as the primary government. The effect of interfund transactions within the same activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support made to customers.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Government-Wide and Fund Financial Statements - Continued

The statement of net position presents the financial condition of the Town's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements. The General Fund and other major individual governmental funds are reported as separate columns in the fund financial statements. All non-major governmental funds are aggregated in one column identified as other governmental funds.

A fund is a separate accounting entity with a self-balancing set of accounts.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and applicable fiduciary fund financial statements. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This measurement focus and basis of accounting are similar to private sector reporting.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current position.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual, which is when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected generally within 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Property taxes, sales taxes, and certain intergovernmental revenues are considered to be susceptible to accrual and so have been recognized in the fund financial statements as revenues of the current fiscal period. All other revenue items are considered to be measurable and available generally when the Town receives cash for these revenues, such as fines, permits, and other miscellaneous collections.

The Town reports deferred outflows and inflows of resources on its government-wide financial statements for items related to leases, the net pension liability, and other postemployment benefits liability, and, when applicable, deferred inflows of resources in its fund financial statements for certain revenues other than property taxes.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Payments for acquisition of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method.
- Principal and interest on indebtedness as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

d. Fund Accounting

The Town’s fund types are as follows:

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The Town’s governmental funds are as follows:

- The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the Town Board and includes expenditures for general governmental support and other general Town activities.
- Special Revenue Funds are used to account for specific revenues (other than those generated for major capital projects) that are legally restricted to expenditures for particular purposes. The Town utilizes the following special revenue funds:
 - The Special Grant Fund is used to account for federally funded community development block grants and other specially funded programs.
 - The Cemetery Fund is used to account for revenues from sales of cemetery lots, charges for services, and other revenues generated to pay for operation of the Town’s various cemeteries.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Fund Accounting - Continued

- The Highway Fund is used to account for revenues generated to pay for repairs and improvements to Town roads, acquisition and maintenance of highway vehicles and equipment, snow removal, and other transportation services.
- The Fire Protection Fund is used to account for real property taxes and other revenues generated to pay for contracts for fire protection services, contributions to the service award program, and other related public safety costs.
- The Lighting District Fund is used to account for real property taxes and other revenues generated within district boundaries to pay for specific street lighting costs.
- The Aquatic District Fund is used to account for resources generated within the Glen Lake Aquatic Plant Growth Control District for the purposes of controlling non-native, invasive aquatic plant species in Glen Lake.
- The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

In addition to the General Fund, the Town considers the Highway Fund and the Fire Protection Fund to be major governmental funds.

- Proprietary Funds represent the Town's business-type activities and include enterprise funds and internal service funds. Enterprise funds are used to report activities for which fees are charged to external customers for goods and services provided, and the Town's fee pricing policies are established to recover costs of providing such goods and services, including capital costs such as depreciation or debt service. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues are charged to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following enterprise funds:

- The Water District Fund is used to report operations of the Town's water treatment and supply facilities that provide drinking water to Town residents within established water districts, as well as to certain local communities outside the Town's corporate boundaries. Users of the water system, inside and outside of Town limits, are charged certain user fees and assessments to pay for water operations. The fund also records revenues and expenses associated with extending water lines, making improvements to the water treatment facilities, and other capital expenses.
- The Sewer District Fund is used to report operations of the Town's sanitary sewer system that are provided to Town residents located within established sewer districts. The Town contracts with the City of Glens Falls, New York, for treatment and disposal at the City's wastewater treatment facility. Users of the sewer system are charged certain user fees and assessments to pay for sewer operations.

Town of Queensbury, New York

Notes to Financial Statements

December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Fund Accounting - Continued

- The Landfill/Transfer Station Fund is used to report refuse and garbage disposal services and recycling operations at the Town's transfer stations and landfill. Certain user fees are charged to customers to pay for these services.

The Town considers each of the three enterprise funds to be major proprietary funds.

The Town maintains one internal service fund to account for certain workers' compensation and unemployment insurance costs.

Fiduciary funds are used to report resources that are held by the Town in a trustee or agency capacity for others and cannot be used to support the Town's own programs. The Town did not maintain any fiduciary funds during 2023.

In addition to the various funds, the Town also maintains schedules of non-current governmental assets and non-current governmental liabilities. Non-current governmental assets include capital assets used in governmental activities, and non-current governmental liabilities include bonds, retirement system debt, accumulated sick and compensatory time, and other long-term debt used to finance governmental activities. These non-current governmental assets and liabilities are included under governmental activities in the government-wide statement of net position.

e. Property Taxes

Taxes for Town purposes are based on Town budget requirements. Taxes are collected by the Town until April 1, at which time all unpaid taxes are returned to the County, which is responsible for all uncollected taxes. The following calendar pertains to Town real property taxes.

| | |
|----------------------------|------------|
| Valuation date | January 1 |
| Taxable status date | March 1 |
| Exemption filing date | March 1 |
| Final roll date | July 1 |
| Date taxes due | January 1 |
| Date penalty periods begin | February 1 |

f. Budgetary Accounting

Prior to October 5 of each year, the Budget Officer submits to the Town Clerk and Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications of the budget.

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

g. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

h. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

i. Leases Receivable

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement or the Town's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure a lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

j. Capital Assets and Depreciation

Property, plant, and equipment of all funds are stated at historical cost or estimated cost. Donated fixed assets are stated at their fair value on the date donated. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 to 50 years.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There were no impairments of long-lived assets as of December 31, 2023.

k. Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future period. The Town's deferred outflows of resources represent deferred costs related to the change in the net pension liability and other postemployment benefits liability.

The Town's deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period as defined in Note 1b. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the balance sheet, and revenue is recognized.

Deferred inflows of resources in the government-wide financial statements represent amounts related to the change in the net pension liability, leases, and other postemployment benefits liability.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

l. Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of voluntary separation, an employee is entitled to payment for accumulated vacation time at various rates subject to certain maximum limitations. Upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation, vested sick benefits, and related benefits related to governmental activities has been recorded in the government-wide financial statements. For proprietary funds, the liability is recognized within the respective fund.

m. Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the Town provides certain health care benefits to retired employees and their dependents. Substantially all Town employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The Town recognizes the cost of postemployment benefits in the financial statements in the periods in which the exchange occurs, rather than in the periods when the benefits are paid. The Town amortizes prior service costs over a period of thirty years.

n. Pensions

The Town is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Town's financial position and results of operations due to its participation in the System is more fully disclosed in Note 9.

o. Fund Balance

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations, of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

o. Fund Balance - Continued

The Town's fund balance policy is set by the Council, the highest level of decision-making authority. The Town considers "formal action" for a committed fund balance to be the passing of a resolution by the Town Board. The Council has delegated the ability to assign fund balance to the Budget Officer. The Town considers funds to be expended in the order of restricted, committed, assigned, and unassigned.

p. Net Position

Net position balances at the government-wide level and for enterprise funds are reported in the following three categories:

- Restricted - Net position is reported as restricted when constraints placed on net position use are either:
 - (i) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments; or
 - (ii) Imposed by law through constitutional provisions or enabling legislation.
- Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted - Is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position.

q. Unearned Revenue

Unearned revenues represent amounts received by the Town under the American Rescue Plan Act (ARPA). The use of such funds is subject to eligibility requirements and will be recognized into income when such requirements are met.

r. Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure through August 27, 2024, the date the financial statements were available to be issued.

Note 2 - Cash, Cash Equivalents, and Investments

The Town's investment policies are governed by state statutes. The Town's monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the state. The Budget Officer is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation, and repurchase agreements with certain restrictions.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 2 - Cash, Cash Equivalents, and Investments - Continued

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits 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 any state and its municipalities and school districts.

The Town's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are readily convertible to known amounts of cash at maturity (with maturity being no greater than 90 days when purchased).

During 2023, cash and cash equivalents were either insured by federal depository insurance or collateralized by assets of the Town's agent in the Town's name.

Investments of the Town at December 31, 2023 of \$6,294,367 (General Fund) \$414,392 (Water Fund) and \$533,063 (Landfill Fund) were held in the New York Cooperative Liquid Asset Securities System (NYCLASS), a cooperative investment program. Investments held by NYCLASS are measured at fair value using amortized cost as reported by NYCLASS. NYCLASS is subject to the Municipal Cooperation Agreement Amended and Restated as of March 14, 2014 (the Agreement) and is structured in accordance with New York State General Municipal Law (GML), Article 3-A and Article 5-G, Sections 119-n and o, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML, Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated 'AAA' by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawal, or transfers) on a normal business day.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Note 3 - Fair Value Measurements

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 3 - Fair Value Measurements - Continued

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The investments held within the Town's Length of Service Awards Program (LOSAP) at December 31, 2023 are categorized as Level 1 in the fair value hierarchy with fair value determined by the active markets. Money market funds are reported at carrying amounts which reasonably estimate fair value. The composition of benefit trust investments, investment information, and fair values is presented in Note 11.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Town's Volunteer Firefighter Awards Program (See Note 11) investments at December 31, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|---------------------|-------------|-------------|---------------------|
| U.S. Equities | \$ 1,260,897 | \$ - | \$ - | \$ 1,260,897 |
| Mutual Funds | 952,320 | - | - | 952,320 |
| Closed-end Funds | 822,641 | - | - | 822,641 |
| Corporate Bonds | 24,933 | - | - | 24,933 |
| Cash and Money Market Funds | 148,542 | - | - | 148,542 |
| Investments, at fair value | <u>\$ 3,209,333</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,209,333</u> |

The Town's investments with NYCLASS are not required to be categorized within the fair value hierarchy in accordance with GASB Statement No. 72.

Note 4 - Due From Other Governments

Due from other governments, classified on the statement of net position within receivables, consist of the following at December 31, 2023:

| | Governmental Activities | Business-Type Activities |
|------------------------------------|----------------------------|-----------------------------|
| Sales and mortgage tax | \$ 4,111,744 | \$ - |
| State aid - Highway | 223,405 | - |
| Other | 189,779 | 41,600 |
| Water and sewer rents and relievis | - | 230,585 |
| | <u>\$ 4,524,928</u> | <u>\$ 272,185</u> |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 5 - Restricted Assets

Restricted assets consist of cash and cash equivalents and investments for the following:

| | Restricted Balance | Restriction |
|---------------|-----------------------|-------------------|
| General Fund | \$ 3,754,674 | Capital and other |
| Water Fund | 298,619 | Capital |
| Landfill Fund | 951,123 | Capital |
| Cemetery Fund | 700,007 | Perpetual care |
| | \$ 5,704,423 | |

Note 6 - Capital Assets

A summary of changes in capital assets is as follows:

| | Balance January 1, 2023 | Additions | Reclassifications/ Retirements | Balance December 31, 2023 |
|---------------------------------|-------------------------------|----------------|-----------------------------------|---------------------------------|
| Governmental Activities | | | | |
| Work in progress | \$ 1,338,999 | \$ 36,808 | \$ - | \$ 1,375,807 |
| Land | 4,471,908 | - | - | 4,471,908 |
| Buildings | 10,186,697 | - | (373,400) | 9,813,297 |
| Improvements | 1,833,366 | - | - | 1,833,366 |
| Machinery and equipment | 9,578,129 | 872,411 | (80,093) | 10,370,447 |
| Infrastructure | 8,502,309 | - | - | 8,502,309 |
| | 35,911,408 | 909,219 | (453,493) | 36,367,134 |
| Business-Type Activities | | | | |
| Work in progress | 65,394 | 618,155 | - | 683,549 |
| Land | 456,619 | - | - | 456,619 |
| Buildings | 1,931,394 | - | - | 1,931,394 |
| Improvements | 12,407 | - | - | 12,407 |
| Machinery and equipment | 2,156,580 | - | (86,932) | 2,069,648 |
| Infrastructure | 70,084,108 | - | - | 70,084,108 |
| | 74,706,502 | 618,155 | (86,932) | 75,237,725 |
| Accumulated Depreciation | | | | |
| Governmental Activities | | | | |
| Buildings | 4,362,622 | 235,553 | (186,057) | 4,412,118 |
| Improvements | 1,093,062 | 56,613 | - | 1,149,675 |
| Machinery and equipment | 6,746,575 | 622,716 | (74,391) | 7,294,900 |
| Infrastructure | 6,364,141 | 226,009 | - | 6,590,150 |
| | 18,566,400 | 1,140,891 | (260,448) | 19,446,843 |
| Accumulated Depreciation | | | | |
| Business-Type Activities | | | | |
| Buildings | 1,312,884 | 39,879 | - | 1,352,763 |
| Improvements | 6,462 | 3,102 | - | 9,564 |
| Machinery and equipment | 1,593,836 | 95,500 | (78,239) | 1,611,097 |
| Infrastructure | 38,790,392 | 1,361,527 | - | 40,151,919 |
| | 41,703,574 | 1,500,008 | (78,239) | 43,125,343 |
| Capital assets, net | \$ 50,347,936 | \$ (1,113,525) | \$ (201,738) | \$ 49,032,673 |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 6 - Capital Assets - Continued

Depreciation expense for 2023 was charged to functions of the primary government as follows:

| | | |
|------------------------------|-----------|------------------|
| General governmental support | \$ | 121,768 |
| Public safety | | 25,256 |
| Transportation | | 802,694 |
| Culture and recreation | | 141,565 |
| Home and community service | | 49,608 |
| | | 49,608 |
| | \$ | 1,140,891 |

Note 7 - Leases

The Town is a party to long-term leasing arrangements, as the lessor, for the placement of cellular equipment on Town owned property. The leases provide for escalating annual payments to the Town over both the initial periods and optional renewal periods. Renewal options under the leases are reasonably certain to be exercised. The leases did not contain provisions for interest and the incremental borrowing rates of the lessees' was not determinable; accordingly, the Town estimated its incremental borrowing rate under the leases to be 2.38% and 6.86%, respectively. At December 31, 2023, leases receivable and deferred inflows of resources related to the leases were \$1,828,092 and \$1,799,487, respectively.

The Town recognized lease and related interest revenue of approximately \$36,800 and \$7,200, respectively, during the year ended December 31, 2023.

Future annual lease payments under the Town's leases at December 31, 2023 are as follows:

| | Principal | Interest | Total |
|-----------|--------------|------------|--------------|
| 2024 | \$ 37,551 | \$ 7,007 | \$ 44,558 |
| 2025 | 38,324 | 6,825 | 45,149 |
| 2026 | 44,094 | 6,640 | 50,734 |
| 2027 | 44,942 | 6,418 | 51,360 |
| 2028 | 45,812 | 6,193 | 52,005 |
| 2029-2033 | 260,942 | 27,371 | 288,313 |
| 2034-2038 | 320,810 | 20,234 | 341,044 |
| 2039-2043 | 279,882 | 11,857 | 291,739 |
| 2044-2048 | 180,504 | 8,163 | 188,667 |
| 2049-2053 | 212,851 | 5,865 | 218,716 |
| 2054-2058 | 250,393 | 3,159 | 253,552 |
| 2059-2061 | 111,987 | 402 | 112,389 |
| | \$ 1,828,092 | \$ 110,134 | \$ 1,938,226 |
| Total | \$ 1,828,092 | \$ 110,134 | \$ 1,938,226 |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 8 - Long-Term Liabilities

Governmental activities long-term liabilities consisted of the following at December 31, 2023:

| | Balance January 1, 2023 | Additions | Retirements | Balance December 31, 2023 | Due Within One Year |
|-------------------------------|-------------------------------|---------------------|-----------------------|---------------------------------|------------------------|
| Bonds payable (a) | \$ 1,951,500 | \$ - | \$ (172,000) | \$ 1,779,500 | \$ 175,500 |
| Net pension liability (asset) | (1,363,020) | 5,333,324 | - | 3,970,304 | - |
| OPEB liability (c) | 30,269,694 | 1,991,567 | (6,538,686) | 25,722,575 | - |
| | <u>\$ 30,858,174</u> | <u>\$ 7,324,891</u> | <u>\$ (6,710,686)</u> | <u>\$ 31,472,379</u> | <u>\$ 175,500</u> |

Business-type activities long-term liabilities consisted of the following at December 31, 2023:

| | Balance January 1, 2023 | Additions | Retirements | Balance December 31, 2023 | Due Within One Year |
|---------------------------------|-------------------------------|---------------------|-----------------------|---------------------------------|------------------------|
| Bonds payable (a) | \$ 5,908,969 | \$ - | \$ (572,772) | \$ 5,336,197 | \$ 391,020 |
| Landfill post-closure costs (b) | 48,043 | 2,113 | - | 50,156 | - |
| Net pension liability (asset) | (434,210) | 1,677,701 | - | 1,243,491 | - |
| OPEB liability (c) | 9,644,984 | 623,754 | (2,047,900) | 8,220,838 | - |
| | <u>\$ 15,167,786</u> | <u>\$ 2,303,568</u> | <u>\$ (2,620,672)</u> | <u>\$ 14,850,682</u> | <u>\$ 391,020</u> |

a. Bonds Payable

Governmental activities bonds payable are comprised of the following at December 31, 2023:

| Serial Bonds | Date Issued | Original Amount | Interest Rate | Maturity | Balance December 31, 2023 |
|--------------|----------------|--------------------|------------------|----------|---------------------------------|
| Main Street | 7/17/2013 | \$ 3,319,000 | 3.00 to 4.00% | 2032 | <u>\$ 1,779,500</u> |

Future debt service requirements related to governmental activities bonds payable are at December 31, 2023 are as follows:

| | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2024 | \$ 175,500 | \$ 61,539 | \$ 237,039 |
| 2025 | 179,000 | 55,998 | 234,998 |
| 2026 | 186,000 | 49,834 | 235,834 |
| 2027 | 193,500 | 43,193 | 236,693 |
| 2028 | 197,000 | 36,359 | 233,359 |
| 2029-2032 | 848,500 | 68,077 | 916,577 |
| Total | <u>\$ 1,779,500</u> | <u>\$ 315,000</u> | <u>\$ 2,094,500</u> |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 8 - Long-Term Liabilities - Continued

a. Bonds Payable - Continued

Business-type activities bonds payable are comprised of the following at December 31, 2023:

| State Loans Payable | Date Issued | Original Amount | Interest Rate | Maturity | Balance December 31, 2023 |
|-------------------------------|-------------|-----------------|---------------|----------|---------------------------|
| Queensbury Avenue Sewer | 3/4/2004 | \$ 1,362,591 | 4.00% | 2033 | \$ 495,000 |
| Route 9 Sewer | 7/17/2006 | 4,912,000 | 2.49 to 4.13% | 2035 | 2,430,000 |
| <u>Serial Bonds</u> | | | | | |
| West Queensbury Sewer | 7/17/2013 | \$ 1,316,500 | 3.00 to 4.00% | 2032 | 705,500 |
| Sewer Force Main | 12/21/2016 | 930,000 | 2.93% | 2031 | 545,697 |
| Carey Road Sewer Improvements | 6/24/2020 | 1,293,400 | 2.00 to 4.00% | 2045 | 1,160,000 |
| | | | | | <u>\$ 5,336,197</u> |

Future debt service requirements related to business-type activities bonds payable at December 31, 2023 are as follows:

| | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2024 | \$ 391,020 | \$ 144,579 | \$ 535,599 |
| 2025 | 404,323 | 133,355 | 537,678 |
| 2026 | 414,178 | 121,226 | 535,404 |
| 2027 | 423,588 | 108,699 | 532,287 |
| 2028 | 442,052 | 95,759 | 537,811 |
| 2029-2033 | 2,111,036 | 277,247 | 2,388,283 |
| 2034-2038 | 735,000 | 73,109 | 808,109 |
| 2039-2043 | 290,000 | 32,238 | 322,238 |
| 2044-2045 | 125,000 | 3,151 | 128,151 |
| Total | <u>\$ 5,336,197</u> | <u>\$ 989,363</u> | <u>\$ 6,325,560</u> |

b. Landfill Post-Closure Care Costs

State and federal laws and regulations require the Town to place a final cover on its Ridge Road landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town ceased operations at the landfill in 1993 and completed closure in 1997. Landfill post-closure care costs of \$50,156 reported at December 31, 2023 represent the remaining estimated cost to perform post-closure care. These estimated amounts are based on what it would cost to perform post-closure care as of December 31, 2023. Actual post-closure care costs may differ due to inflation, changes in technology, or changes in regulations.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 8 - Long-Term Liabilities - Continued

c. Other Postemployment Benefits

Plan Description and Annual OPEB Cost

In addition to providing retirement benefits, the Town provides medical and Medicare Part B benefits to its eligible retirees. The benefits are provided through fully insured plans. To be eligible for such coverage, the retiring employee must be age fifty-five or older, eligible to receive a pension from the New York State Employees' Retirement System (NYSERS) and have at least ten to fifteen years of service with the Town; or the retiring employee must be age fifty or older, eligible to receive a pension from NYSERS, and have at least thirty years of service with the Town.

The Town pays a portion of the retirees' and their dependents' medical benefits depending on the employee group. The Town also reimburses the retiree for a portion of the Medicare Part B premium. The spouse may be permitted to continue coverage following the death of the retired employee provided that the retiree had 20 or more years of service at the time of retirement.

A summary of active employees and retired employees covered under the plan are as follows:

| | | |
|-------------------|-----|--|
| Active employees | 128 | |
| Retired employees | 83 | |
| | 211 | |

The Town recognizes the cost of providing health insurance annually as expenditures in various funds in its financial statements as payments are made. For the year ended December 31, 2023, the Town recognized \$766,108 for its share of insurance premiums for currently enrolled retirees. The Town is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees.

At December 31, 2023, the Town reported a liability of \$25,722,575 and \$8,220,838 for its OPEB liability in the governmental activities and business-type activities, respectively. The OPEB liability was measured as of December 31, 2023 by an actuarial valuation using census data information as of January 1, 2023. For the year ended December 31, 2023, the Town recognized OPEB credits of \$3,439,603 and \$2,047,900 in the governmental activities and business-type activities, respectively. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Governmental Activities | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 2,234,652 | \$ 13,854,397 |
| Changes of assumptions | 1,808,757 | 2,404,963 |
| Total | \$ 4,043,409 | \$ 16,259,360 |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 8 - Long-Term Liabilities - Continued

c. *Other Postemployment Benefits - Continued*

Plan Description and Annual OPEB Cost - Continued

| | Business-Type Activities | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 699,887 | \$ 4,339,167 |
| Changes of assumptions | 566,498 | 753,231 |
| Total | \$ 1,266,385 | \$ 5,092,398 |

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

| | Governmental Activities | Business Type-Activities | Total |
|--------------------------|----------------------------|-----------------------------|-----------------|
| Year ending December 31, | | | |
| 2024 | \$ (2,728,614) | \$ (854,595) | \$ (3,583,209) |
| 2025 | (3,650,772) | (1,143,413) | (4,794,185) |
| 2026 | (3,722,542) | (1,165,892) | (4,888,434) |
| 2027 | (1,007,032) | (315,400) | (1,322,432) |
| 2028 | (864,836) | (270,864) | (1,135,700) |
| Thereafter | (242,155) | (75,849) | (318,004) |
| Total | \$ (12,215,951) | \$ (3,826,013) | \$ (16,041,964) |

The total OPEB liability at December 31, 2023 was determined using the following actuarial assumptions:

| | |
|--|---|
| Discount rate | 3.26% based on the <i>Bond Buyer 20-Bond General Obligation Index</i> based on the 20 year AA municipal bond rate ats of December 31, 2023. |
| Healthcare cost trend rates: | |
| 2023 trend (Pre 65/Post 65) | 4.94% / 4.95% |
| 2024 trend (Pre 65/Post 65) | 7.50% / 4.54% |
| Ultimate trend | 4.54% |
| Year ultimate trend is reached (Pre 65/Post 65) | 2090 / 2024 |
| Salary increases for: | 3.50% |
| Mortality rates | Pub-2010 General Employees headcount - Weighted Mortality fully generational using Scale MP-2021 and Pub-2010 General Retirees Headcount - Weighted Mortality fully generational using Scale MP-2021. |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 8 - Long-Term Liabilities - Continued

c. Other Postemployment Benefits - Continued

Plan Description and Annual OPEB Cost - Continued

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost-sharing provisions then in effect.

Changes in the net OPEB liability are as follows:

| | <u>Governmental Activities</u> | <u>Business Type-Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| Balance as of January 1, 2023 | \$ 30,269,694 | \$ 9,644,984 | \$ 39,914,678 |
| Changes for the year | | | |
| Service cost | 1,158,044 | 362,697 | 1,520,741 |
| Interest | 833,521 | 261,057 | 1,094,578 |
| Assumption changes | (4,184,214) | (1,310,486) | (5,494,700) |
| Difference between expected and actual experience | (1,246,955) | (390,544) | (1,637,499) |
| Benefit payments | (1,107,515) | (346,870) | (1,454,385) |
| Net changes | <u>(4,547,119)</u> | <u>(1,424,146)</u> | <u>(5,971,265)</u> |
| Balance as of December 31, 2023 | <u>\$ 25,722,575</u> | <u>\$ 8,220,838</u> | <u>\$ 33,943,413</u> |

The following presents the OPEB liability of the Plan as of December 31, 2023 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% lower or 1% higher than the current rates:

| | <u>1% Decrease</u> | <u>Current Rates</u> | <u>1% Increase</u> |
|--------------------------|----------------------|--------------------------|----------------------|
| OPEB liability | | | |
| Governmental Activities | \$ 22,078,412 | \$ 25,722,574 | \$ 30,610,689 |
| Business-Type Activities | <u>6,914,907</u> | <u>8,220,839</u> | <u>9,587,195</u> |
| | <u>\$ 28,993,319</u> | <u>\$ 33,943,413</u> | <u>\$ 40,197,884</u> |

The following presents the OPEB liability of the plan as of December 31, 2023 calculated using the discount rate of 3.26%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
|--------------------------|----------------------|-------------------------|----------------------|
| OPEB liability | | | |
| Governmental Activities | \$ 29,707,384 | \$ 25,722,574 | \$ 22,700,192 |
| Business-Type Activities | <u>9,304,283</u> | <u>8,220,839</u> | <u>7,109,646</u> |
| | <u>\$ 39,011,667</u> | <u>\$ 33,943,413</u> | <u>\$ 29,809,838</u> |

Town of Queensbury, New York

Notes to Financial Statements

December 31, 2023

Note 9 - Reserved Fund Balances

Encumbrances

The governmental funds include a reserve for encumbrances equal to an amount reserved to satisfy purchase orders and other commitments for goods and/or services to be received in the following year.

Capital Reserves

Capital reserves have been established for the following capital projects:

| | |
|-----------------------|--------------|
| General Fund | |
| Recreation assessment | \$ 39,660 |
| Capital | 3,585,079 |
| Town wide drainage | 126,301 |
| Highway garage | 3,634 |
| | <hr/> |
| | 3,754,674 |
| Water Fund | |
| Equipment | 8,667 |
| Capital | 289,952 |
| | <hr/> |
| | 298,619 |
| Landfill Fund | |
| Landfill closure | 793,074 |
| Equipment | 158,049 |
| | <hr/> |
| | \$ 5,004,416 |

Reserve for Perpetual Care

The Cemetery Fund has a reserve for perpetual care of \$700,007.

Note 10 - Retirement Benefits

a. Plan Description and Benefits Provided

The Town participates in the System, which is a cost-sharing multiple-employer, public employee retirement system. The System provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the System at www.osc.state.ny.us/retire.

The System provides retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 10 - Retirement Benefits - Continued

b. Contributions

The System is noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first ten years of membership, employees who joined between January 1, 2010 and April 1, 2012, who contribute 3% of their salary for the entire length of service, and employees who joined after April 1, 2012 who contribute between 3% and 6% of their earned wages for the entire length of their career.

The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The Town's contributions for the current year and two preceding years were:

| | |
|------|--------------|
| 2023 | \$ 1,010,916 |
| 2022 | 835,808 |
| 2021 | 1,122,788 |

Contributions were equal to 100% of the actuarially required contributions for each respective year.

c. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported net pension liabilities in the governmental activities and business-type activities of \$3,970,303 and \$1,243,491, respectively. The net pension asset was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of April 1, 2022. The Town's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2023 measurement date, the Town's proportionate share was 0.0243135%.

For the year ended December 31, 2023, the Town recognized pension expense on the accrual basis of accounting in the governmental activities and business-type activities of \$1,457,515 and \$452,385, respectively. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the net pension liability as follows:

| | Governmental Activities | |
|---|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 422,869 | \$ 111,501 |
| Changes of assumptions | 1,928,236 | 21,311 |
| Net differences between projected and actual investment earnings on pension plan investments | - | 23,326 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 196,149 | 6,677 |
| Town contributions subsequent to the measurement date | 769,813 | - |
| Total | \$ 3,317,067 | \$ 162,815 |

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 10 - Retirement Benefits - Continued

c. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions - Continued

| | Business-Type Activities | |
|---|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 132,441 | \$ 34,922 |
| Changes of assumptions | 603,919 | 6,674 |
| Net differences between projected and actual investment earnings on pension plan investments | - | 7,306 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 61,433 | 2,092 |
| Town contributions subsequent to the measurement date | 241,103 | - |
| Total | \$ 1,038,896 | \$ 50,994 |

Town contributions subsequent to the measurement date will be recognized as an adjustment of the net pension asset 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:

| | Governmental Activities | Business Type-Activities | Total |
|--------------------------|----------------------------|-----------------------------|--------------|
| Year ending December 31, | | | |
| 2024 | \$ 581,387 | \$ 182,089 | \$ 763,476 |
| 2025 | (157,782) | (49,417) | (207,199) |
| 2026 | 856,438 | 268,235 | 1,124,673 |
| 2027 | 1,104,396 | 345,892 | 1,450,288 |
| Total | \$ 2,384,439 | \$ 746,799 | \$ 3,131,238 |

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2022 valuation, with updated procedures to roll forward the total pension asset to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. The valuation used the following assumptions:

| | |
|-----------------------|---------------------------------|
| Actuarial cost method | Aggregate cost method |
| Inflation rate | 2.9 percent |
| Salary scale | 4.4 percent, indexed by service |

Town of Queensbury, New York

Notes to Financial Statements

December 31, 2023

Note 10 - Retirement Benefits - Continued

d. Actuarial Assumptions - Continued

| | |
|---|--|
| Investment rate of return, including inflation | 5.9 percent compounded annually, net of expenses |
| Cost of living adjustment | 1.5% annually |
| Decrement | Based on FY 2015-2020 experience |
| Mortality improvement | Society of Actuaries' Scale MP-2021 |

e. Investment Asset Allocation

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 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 as of March 31, 2023 are summarized below:

| Asset Type | Target Allocation | Long-Term Expected Real Rate |
|--|----------------------|------------------------------------|
| Domestic equity | 32.00% | 4.30% |
| International equity | 15.00% | 6.85% |
| Private equity | 10.00% | 7.50% |
| Real estate | 9.00% | 4.60% |
| Opportunistic/absolute return strategy | 3.00% | 5.38% |
| Credit | 4.00% | 5.43% |
| Real assets | 3.00% | 5.84% |
| Fixed income | 23.00% | 1.50% |
| Cash | 1.00% | 0.00% |
| | 100.00% | |

f. Discount Rate

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

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 10 - Retirement Benefits - Continued

g. Sensitivity of the Proportionate Share of 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% and the impact of using a discount rate that is 1% higher or lower than the current rate.

| | 1% Decrease (4.9%) | Current Discount (5.9%) | 1% Increase (6.9%) |
|---|-----------------------|-------------------------------|-----------------------|
| Town's proportionate share of the net pension liability (asset) | | | |
| Governmental activities | \$ 9,594,523 | \$ 3,970,304 | \$ (729,384) |
| Business-type activities | 3,004,982 | 1,243,490 | (228,442) |
| | \$ 12,599,505 | \$ 5,213,794 | \$ (957,826) |

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the New York State and Local Employees' Retirement System as of March 31, 2023 were as follows (amounts in thousands):

| | |
|--|----------------|
| Employers' total pension liability | \$ 232,627,259 |
| Plan net position | (211,183,223) |
| Employers' net pension liability | \$ 21,444,036 |
| Ratio of plan net position to the employers' total pension liability | 90.78% |

Note 11 - Volunteer Firefighter Awards Program

The Town established a defined contribution Service Award Program (referred to as a LOSAP - Length of Service Awards Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1990, for the active volunteer firefighter members of the Bay Ridge, Central Queensbury, North Queensbury, South Queensbury, and West Glens Falls Fire Companies. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. Funds deposited into the program cannot be revoked by the Fire District; however, the funds may be subject to the claims made by the Town's general unsecured creditors. The Town is the sponsor of the program and the program administrator.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 11 - Volunteer Firefighter Awards Program - Continued

Program Description - Continued

Participation, Vesting, and Service Credit

In a defined contribution LOSAP, each participant has an individual program account. An eligible program participant is defined by the program sponsor to be an active volunteer firefighter who is at least 18 years of age and has earned one year of service award program service credit. Each participant's individual program account is credited with a service award contribution as of the end of each year during which the volunteer met the requirements to earn a year of service award program service credit. The participant is paid his or her account balance upon attainment of the entitlement age. The program's entitlement age is 62. The amount paid will vary depending upon the number of years of service credit earned by the volunteer and the investment income (less administrative and/or investment expenses not paid by the Fire District) earned by the program assets and allocated to the participant's program account.

Benefits

Participants acquire a non-forfeitable right to be paid their program account balance after earning credit for five (5) years of service or upon attaining the program's entitlement age while an active volunteer. An active volunteer firefighter earns a year of service award program service credit calendar year after the establishment of the program in which he or she accumulates fifty or more points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive service award program credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter of the Bay Ridge, Queensbury Central, North Queensbury, South Queensbury, or West Glens Falls Fire Companies.

A participant's benefit under the program is his or her program account balance paid upon attainment of the entitlement age in a lump sum to the participant. The annual contribution paid by the Fire District and credited to the account of a participant who earned fifty points during a calendar year is currently \$700. The maximum number of years of service credit a participant may earn under the program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the program.

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's account balance will not be paid until a participant attains the entitlement age. The program provides lump sum death and disability benefits equal to the participant's program account balance as of the December 31 preceding the date of death or disablement. The program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the program trust fund.

For a complete explanation of the program see the program document, a copy of which is available from the Town Supervisor.

Fiduciary Investment and Control

After the end of each calendar year, each fire company prepares and certifies a list of names of all persons who were active volunteer members of the fire company during the year indicating which volunteers earned fifty points. The certified list is delivered to the Town Board for the Board's review and approval. The fire company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Town Board.

The Town Board has retained Penflex, Inc. to assist in the administration of the program. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Town.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 11 - Volunteer Firefighter Awards Program - Continued

Fiduciary Investment and Control - Continued

Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing to the Town Board the amount of the service award to be paid to the participant or to a participant's designated beneficiary. The person(s) authorized by the Town Board then authorizes, in writing, the custodian of the Town's Volunteer Firefighter Service Award Program trust fund to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and the written directive from the authorized representative of the Town.

Penflex, Inc. bills the Town for the services it provides. Penflex, Inc.'s invoices are authorized for payment by the Town in the same manner as any other invoice presented to the Town for payment. The Town pays Penflex, Inc. invoices from its Fire Protection District Fund.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Town created a Service Awards Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Town Supervisor. The Town Board is the Program Trustee.

Authority to invest the program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the written investment policy statement adopted by the Town.

The Town has retained Glens Falls National Bank to provide investment management and custodial services as well as to pay benefits to participants.

Program Financial Condition

Net assets available for benefits are as follows:

| | % of Total | | |
|---|------------|--------|---------------|
| Cash and money market | 5% | \$ | 148,542 |
| Equities | 59% | | 1,901,761 |
| Fixed income | 36% | | 1,159,030 |
| | | | 3,209,333 |
| Interest receivable | | | 2,039 |
| Benefits payable | | | (29,586) |
| Total net assets available for benefits | | \$ | 3,181,786 |
| Changes in net assets available for benefits were as follows: | | | |
| Plan contributions | | \$ | 82,005 |
| Investment income earned | | | 89,146 |
| Net appreciation in market value of securities | | | 350,140 |
| Investment fees | | | (15,777) |
| Administrative fees | | | (1,075) |
| Change in benefits payable | | | (1,566) |
| Benefits paid | | | (164,480) |
| Change in net assets available for benefits | | | 338,393 |
| Net assets available for benefits, <i>beginning of year</i> | | | 2,843,393 |
| Net assets available for benefits, <i>end of year</i> | | \$ | 3,181,786 |

Town of Queensbury, New York

Notes to Financial Statements

December 31, 2023

Note 11 - Volunteer Firefighter Awards Program - Continued

Program Financial Condition - Continued

Contributions

| | | |
|--|----|--------|
| Amount of sponsor's required contributions | \$ | 82,005 |
| Amount of sponsor's actual contributions | | 82,005 |

Administration fees

| | | |
|---|----|--------|
| Fees paid to administrative/actuarial services provider | \$ | 1,075 |
| Fees paid for investment management | | 15,777 |

Note 12 - Volunteer Ambulance Worker Service Award Program

In connection with service contracts between the Town and local volunteer ambulance workers, the Town implemented a volunteer ambulance worker service award program on January 25, 1996, effective January 1, 1994. The program is a defined contribution retirement plan, covering volunteer ambulance workers who have earned 50 service credits and who are at least 18 years of age. The annual contribution is \$900 per calendar year (previously \$700) for each volunteer ambulance worker who earned 50 service credits during the year. Contributions to the plan for the year ended December 31, 2023 approximated \$21,800. Service award program assets of \$857,667 are held by Glens Falls National Bank pursuant to a Trust Agreement.

Note 13 - Tax Abatements

Certain property values in the Town have been reduced as the result of payment in-lieu of tax (PILOT) agreements entered into by the Counties of Warren and Washington Industrial Development Agency for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in Warren County, including the Town. As a result of the agreement, the Town receives a PILOT payment, which is equal to the reduced assessed value times the Town's levied tax rate.

There were no significant abatements in effect during the year ended December 31, 2023.

Note 14 - Operating Transfers

During the course of normal operations, the Town records numerous transactions between funds, including expenditures for the provision of services as well as transfers between funds to finance various projects or debt payments.

Transfers and interfund balances arising from these transactions as of December 31, 2023, were as follows:

| | Interfund Receivable | Interfund Payable | Operating Transfer In | Operating Transfer Out |
|--------------------------|-------------------------|----------------------|--------------------------|---------------------------|
| General | \$ 309,744 | \$ 738,389 | \$ 6,311 | \$ 10,060,426 |
| Highway | 104,277 | - | 5,707,904 | - |
| Capital Projects | - | - | - | - |
| Other Governmental Funds | - | 309,744 | 2,620,405 | 6,311 |
| Water | 634,290 | 924 | 1,732,117 | - |
| Landfill | 746 | - | - | - |
| | \$ 1,049,057 | \$ 1,049,057 | \$ 10,066,737 | \$ 10,066,737 |

Town of Queensbury, New York

Notes to Financial Statements

December 31, 2023

Note 15 - Contingencies, Risks, and Uncertainties

a. Lawsuits

From time to time, the Town is involved in certain suits and claims arising in the normal course of business, including claims for property damage, personal injury, personnel practices, disputes over contract awards and property condemnation proceedings, and suits contesting assessments. In the opinion of the Town, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

b. Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

c. Environmental Concerns

The Town is engaged in many activities (e.g., water and sewer service, refuse collection, gasoline storage) in the normal course of operations that are potentially hazardous to the environment. As of December 31, 2023, the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

Note 16 - Bond Anticipation Notes Payable

The Town's obligations for bond anticipation notes payable are as follows:

| Description | Balance January 1, 2023 | Repayments | Balance December 31, 2023 | Interest Rate | Maturity Date |
|------------------------------------|-------------------------------|--------------|---------------------------------|------------------|------------------|
| <i>Sewer Fund</i> | | | | | |
| Quaker Road Sewer Main Replacement | \$ 399,750 | \$ (133,250) | \$ 266,500 | 4.35% | June 2024 |
| <i>Water Fund</i> | | | | | |
| Ridge Road Water Improvements | \$ 1,600,000 | \$ (561,755) | \$ 1,038,245 | 4.15% | May 2024 |

In May 2024, the Town renewed the Ridge Road Water Improvements bond anticipation note for \$518,425 with interest at 4.05% with a maturity date of May 2025. In June 2024, the Town renewed the Quaker Road Sewer Main Replacement bond anticipation note for \$133,250 with interest at 4.20% with a maturity date of June 2025.

Note 17 - Accounting Standards Issued But Not Yet Implemented

The Town has not implemented the following accounting pronouncements that are required for financial statements presented in accordance with U.S. GAAP:

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Town of Queensbury, New York

Notes to Financial Statements December 31, 2023

Note 17 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Management has not estimated the extent of potential impact of these statements on the Town's financial statements but does plan to implement these standards in the required year.

Town of Queensbury, New York

Required Supplementary Information - Schedule of Other Postemployment Benefits Liability

| Governmental Activities | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning of year | \$ 30,269,694 | \$ 42,400,595 | \$ 41,587,141 | \$ 40,082,519 | \$ 33,972,020 | \$ 35,737,559 |
| Changes for the year | | | | | | |
| Service cost | 1,158,044 | 1,262,813 | 2,209,360 | 2,189,463 | 2,050,094 | 1,598,647 |
| Interest | 833,521 | 1,106,126 | 822,297 | 829,177 | 1,028,842 | 1,211,528 |
| Assumption changes | (4,184,214) | (13,368,982) | (4,405,803) | 1,627,940 | 7,357,692 | - |
| Difference between expected and actual experience | (1,246,955) | - | 3,284,515 | (2,054,616) | (3,235,388) | (3,538,271) |
| Benefit payments | (1,107,515) | (1,130,858) | (1,096,915) | (1,087,342) | (1,090,741) | (1,037,443) |
| Net changes | (4,547,119) | (12,130,901) | 813,454 | 1,504,622 | 6,110,499 | (1,765,539) |
| End of year | <u>\$ 25,722,575</u> | <u>\$ 30,269,694</u> | <u>\$ 42,400,595</u> | <u>\$ 41,587,141</u> | <u>\$ 40,082,519</u> | <u>\$ 33,972,020</u> |
| Covered payroll | \$ 6,394,939 | \$ 5,787,540 | \$ 5,564,942 | \$ 5,460,642 | \$ 5,166,445 | \$ 5,284,843 |
| OPEB liability as a percentage of covered payroll | 402% | 523% | 762% | 762% | 776% | 643% |
| | | | | | | |
| Business-Type Activities | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Beginning of year | \$ 9,644,984 | \$ 13,507,360 | \$ 13,248,221 | \$ 12,768,901 | \$ 10,822,309 | \$ 11,384,749 |
| Changes for the year | | | | | | |
| Service cost | 362,697 | 402,069 | 703,826 | 697,487 | 653,089 | 509,273 |
| Interest | 261,057 | 352,181 | 261,957 | 264,146 | 327,753 | 385,951 |
| Assumption changes | (1,310,486) | (4,256,571) | (1,403,537) | 518,606 | 2,343,906 | - |
| Difference between expected and actual experience | (390,544) | - | 1,046,333 | (654,529) | (1,030,683) | (1,127,170) |
| Benefit payments | (346,870) | (360,055) | (349,440) | (346,390) | (347,473) | (330,494) |
| Net changes | (1,424,146) | (3,862,376) | 259,139 | 479,320 | 1,946,592 | (562,440) |
| End of year | <u>\$ 8,220,838</u> | <u>\$ 9,644,984</u> | <u>\$ 13,507,360</u> | <u>\$ 13,248,221</u> | <u>\$ 12,768,901</u> | <u>\$ 10,822,309</u> |
| Covered payroll | \$ 2,003,392 | \$ 1,843,710 | \$ 1,772,798 | \$ 1,739,572 | \$ 1,645,851 | \$ 1,683,568 |
| OPEB liability as a percentage of covered payroll | 410% | 523% | 762% | 762% | 776% | 643% |

Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Town of Queensbury, New York

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Town's proportion of the net pension liability (asset) | 0.0243135% | 0.0219856% | 0.0218303% | 0.0220248% | 0.0218992% | 0.0222732% | 0.0232837% | 0.0228080% | 0.0220104% |
| Town's proportionate share of the net pension liability (asset) | \$ 5,213,794 | \$ (1,797,230) | \$ 21,737 | \$ 5,832,283 | \$ 1,551,622 | \$ 718,856 | \$ 2,187,790 | \$ 3,660,747 | \$ 743,565 |
| Town's covered-employee payroll | \$ 8,398,331 | \$ 7,631,250 | \$ 7,377,740 | \$ 6,801,893 | \$ 6,506,483 | \$ 6,282,951 | \$ 6,165,797 | \$ 6,143,642 | \$ 6,221,965 |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 62.08% | -23.55% | 0.29% | 85.74% | 23.85% | 11.44% | 35.48% | 59.59% | 11.95% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.78% | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.68% | 97.95% |

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

Town of Queensbury, New York

Required Supplementary Information Schedule of Pension Contributions

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Contractually required contribution | \$ 1,010,916 | \$ 835,808 | \$ 1,122,788 | \$ 960,219 | \$ 909,430 | \$ 896,415 | \$ 905,097 | \$ 941,050 | \$ 1,054,148 |
| Contributions in relation to the contractually required contribution | 1,010,916 | 835,808 | 1,122,788 | 960,219 | 909,430 | 896,415 | 905,097 | 941,050 | 1,054,148 |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - |
| Town's covered-employee payroll | 8,398,331 | 7,631,250 | 7,377,740 | 6,801,893 | 6,506,483 | 6,282,951 | 6,165,797 | 6,143,642 | 6,221,965 |
| Contribution as a percentage of covered-employee payroll | 12% | 11% | 15% | 14% | 14% | 14% | 15% | 15% | 17% |

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

Town of Queensbury, New York

Required Supplementary Information Budgetary Comparison Statement - General Fund

| | Year Ended December 31, 2023 | | | Variance with Revised - Positive (Negative) |
|---|------------------------------|-----------------------|----------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Adopted | Revised | | |
| REVENUES | | | | |
| Real property taxes | \$ 3,350,000 | \$ 3,350,000 | \$ 3,352,727 | \$ 2,727 |
| Real property tax items | 80,000 | 80,000 | 104,259 | 24,259 |
| Non-property taxes | 11,400,000 | 11,605,189 | 13,474,167 | 1,868,978 |
| Departmental income | 338,000 | 338,000 | 541,049 | 203,049 |
| Use of money and property | 5,500 | 5,500 | 461,421 | 455,921 |
| Licenses and permits | 231,000 | 231,000 | 275,119 | 44,119 |
| Fines and forfeitures | 300,000 | 300,000 | 437,279 | 137,279 |
| Sale of property and compensation for loss | - | - | 44,184 | 44,184 |
| Miscellaneous | - | - | 280,897 | 280,897 |
| Interfund revenues | 190,000 | 190,000 | 191,427 | 1,427 |
| State aid | 1,035,000 | 1,038,406 | 1,258,459 | 220,053 |
| Federal aid | - | 1,732,117 | 1,732,117 | - |
| Total revenues and appropriated fund balance | 16,929,500 | 18,870,212 | 22,153,105 | 3,282,893 |
| EXPENDITURES | | | | |
| General government support | 4,534,700 | 4,740,285 | 4,037,406 | 702,879 |
| Public safety | 733,595 | 745,635 | 613,612 | 132,023 |
| Health | 2,000 | 2,000 | 2,000 | - |
| Transportation | 715,900 | 682,900 | 548,313 | 134,587 |
| Economic opportunity and development | 164,500 | 369,689 | 353,479 | 16,210 |
| Culture and recreation | 1,415,518 | 1,469,691 | 1,463,992 | 5,699 |
| Home and community service | 902,300 | 922,394 | 827,606 | 94,788 |
| Employee benefits | 3,372,000 | 3,362,000 | 2,748,548 | 613,452 |
| Debt service | 238,800 | 238,800 | 238,751 | 49 |
| Capital expenditures | - | 182,255 | 182,255 | - |
| Total expenditures | 12,079,313 | 12,715,649 | 11,015,962 | 1,699,687 |
| OTHER FUNDING SOURCES (USES) | | | | |
| Interfund transfers-in | - | 6,311 | 6,311 | - |
| Interfund transfers-out | (5,280,350) | (10,560,426) | (10,060,426) | 500,000 |
| Total other financing sources (uses) | (5,280,350) | (10,554,115) | (10,054,115) | 500,000 |
| Appropriated fund balance (budget) and net change in fund balance (actual) | \$ (430,163) | \$ (4,399,552) | 1,083,028 | \$ 5,482,580 |
| FUND BALANCE, beginning of year | | | 13,613,880 | |
| FUND BALANCE, end of year | | | \$ 14,696,908 | |

Town of Queensbury, New York

Required Supplementary Information Budgetary Comparison Statement - Highway Fund

| | Year Ended December 31, 2023 | | | Variance with Revised - Positive (Negative) |
|---|------------------------------|-----------------------|---------------------|--|
| | Budgeted Amounts | | Actual | |
| | Adopted | Revised | Amounts | |
| REVENUES | | | | |
| Use of money and property | \$ - | \$ - | \$ 408 | \$ 408 |
| Sale of property and compensation for loss | - | 44,672 | 50,539 | 5,867 |
| Miscellaneous | - | - | 1,217 | 1,217 |
| State aid | 450,000 | 800,183 | 753,483 | (46,700) |
| Total revenues | 450,000 | 844,855 | 805,647 | (39,208) |
| EXPENDITURES | | | | |
| General government support | - | 13,770 | 9,681 | 4,089 |
| Transportation | 3,326,200 | 4,750,217 | 2,720,940 | 2,029,277 |
| Employee benefits | 1,542,750 | 1,472,180 | 1,323,570 | 148,610 |
| Capital | - | 1,334,282 | 1,334,282 | - |
| Total expenditures | 4,868,950 | 7,570,449 | 5,388,473 | 2,181,976 |
| OTHER FUNDING SOURCES | | | | |
| Interfund transfers-in | 4,418,950 | 5,707,904 | 5,707,904 | - |
| Appropriated fund balance (budget) and net change in fund balance (actual) | \$ - | \$ (1,017,690) | 1,125,078 | \$ 2,142,768 |
| FUND BALANCE, beginning of year | | | 1,865,817 | |
| FUND BALANCE, end of year | | | \$ 2,990,895 | |

Town of Queensbury, New York

Required Supplementary Information Budgetary Comparison Statement - Fire Protection Fund

| Year Ended December 31, 2023 | | | | |
|---|------------------|--------------|---------------------|--|
| | Budgeted Amounts | | Actual Amounts | Variance with Revised - Positive (Negative) |
| | Adopted | Revised | | |
| REVENUES | | | | |
| Real property taxes and tax items | \$ 5,505,800 | \$ 5,505,800 | \$ 5,524,448 | \$ 18,648 |
| Departmental income | 1,300,000 | 1,300,000 | 1,859,786 | 559,786 |
| Use of money and property | 1,200 | 1,200 | 595,745 | 594,545 |
| Total revenues | 6,807,000 | 6,807,000 | 7,979,979 | 1,172,979 |
| EXPENDITURES | | | | |
| Public safety | 6,544,000 | 6,544,000 | 5,988,702 | 555,298 |
| Employee benefits | 263,000 | 263,000 | 349,897 | (86,897) |
| Total expenditures | 6,807,000 | 6,807,000 | 6,338,599 | 468,401 |
| Appropriated fund balance (budget) and net change in fund balance (actual) | \$ - | \$ - | 1,641,380 | \$ 1,641,380 |
| FUND BALANCE, beginning of year | | | 5,579,239 | |
| FUND BALANCE, end of year | | | \$ 7,220,619 | |

Town of Queensbury, New York

Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

| | December 31, 2023 | | | | | |
|--|-------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| | Special Grant | Capital Projects | Cemetery | Lighting District | Aquatic District | Total |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 195,662 | \$ 3,078,771 | \$ 291,837 | \$ 386,396 | \$ 218,925 | \$ 4,171,591 |
| Receivables from other governments | 11,388 | 178,391 | - | - | - | 189,779 |
| Other receivables, net of uncollectibles | 56,852 | - | 33 | 13,975 | - | 70,860 |
| Prepaid expenses | - | - | 27,608 | - | - | 27,608 |
| Cash and investments, restricted | - | - | 700,007 | - | - | 700,007 |
| | \$ 263,902 | \$ 3,257,162 | \$ 1,019,485 | \$ 400,371 | \$ 218,925 | \$ 5,159,845 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 96,514 | \$ 14,515 | \$ 15,888 | \$ 760 | \$ 127,677 |
| Accrued liabilities | - | - | 9,676 | - | - | 9,676 |
| Due to other funds | 96,384 | 213,360 | - | - | - | 309,744 |
| Total liabilities | 96,384 | 309,874 | 24,191 | 15,888 | 760 | 447,097 |
| Fund balances | | | | | | |
| Nonspendable | - | - | 27,608 | - | - | 27,608 |
| Restricted for other purposes | - | - | 700,007 | - | - | 700,007 |
| Assigned, unappropriated | 167,518 | 2,947,288 | 267,679 | 384,483 | 218,165 | 3,985,133 |
| Total fund balances | 167,518 | 2,947,288 | 995,294 | 384,483 | 218,165 | 4,712,748 |
| | \$ 263,902 | \$ 3,257,162 | \$ 1,019,485 | \$ 400,371 | \$ 218,925 | \$ 5,159,845 |
| Total liabilities and fund balances | \$ 263,902 | \$ 3,257,162 | \$ 1,019,485 | \$ 400,371 | \$ 218,925 | \$ 5,159,845 |

Town of Queensbury, New York

Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

| | Year Ended December 31, 2023 | | | | | Total |
|--|------------------------------|---------------------|-------------------|----------------------|---------------------|---------------------|
| | Special Grant | Capital Projects | Cemetery | Lighting District | Aquatic District | |
| REVENUES | | | | | | |
| Real property taxes | \$ - | \$ - | \$ - | \$ 145,455 | \$ 64,945 | \$ 210,400 |
| Departmental income | - | - | 633,634 | - | 25,000 | 658,634 |
| Use of money and property | 67 | 58 | 467 | 164 | 80 | 836 |
| Sale of property and compensation for loss | - | 150,000 | - | - | - | 150,000 |
| Miscellaneous | 499 | 33,391 | - | 13,975 | - | 47,865 |
| State aid | 11,388 | 34,856 | - | - | - | 46,244 |
| Total revenues | 11,954 | 218,305 | 634,101 | 159,594 | 90,025 | 1,113,979 |
| EXPENDITURES | | | | | | |
| Health | - | - | - | - | 57,250 | 57,250 |
| Transportation | - | - | - | 131,980 | - | 131,980 |
| Employee benefits | - | - | 269,994 | - | - | 269,994 |
| Home and community service | 18,379 | - | 625,632 | - | - | 644,011 |
| Capital outlay | | | | | | |
| General government support | - | 562,262 | - | - | - | 562,262 |
| Culture and recreation | - | 309,975 | - | - | - | 309,975 |
| Home and community service | - | 38,740 | - | - | - | 38,740 |
| Total expenditures | 18,379 | 910,977 | 895,626 | 131,980 | 57,250 | 2,014,212 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Interfund transfers in | - | 2,259,005 | 361,400 | - | - | 2,620,405 |
| Interfund transfers out | - | (6,311) | - | - | - | (6,311) |
| Total other financing sources (uses) | - | 2,252,694 | 361,400 | - | - | 2,614,094 |
| Net change in fund balances | (6,425) | 1,560,022 | 99,875 | 27,614 | 32,775 | 1,713,861 |
| FUND BALANCES, beginning of year | 173,943 | 1,387,266 | 895,419 | 356,869 | 185,390 | 2,998,887 |
| FUND BALANCES, end of year | \$ 167,518 | \$ 2,947,288 | \$ 995,294 | \$ 384,483 | \$ 218,165 | \$ 4,712,748 |

See Independent Auditor's Report.



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

Independent Auditor's Report

Supervisor and Town Board
Town of Queensbury, New York
Queensbury, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queensbury, New York (Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

BST+Co.CPAs, LLP

Latham, New York
August 27, 2024

