TOWN OF LOCKPORT, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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December 31, 2025

Lumsden McCormick LLP
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INDEPENDENT AUDITORS' REPORT

The Town Board
Town of Lockport, New York

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Lockport, New York (the Town) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2025, and the respective changes in financial position and budgetary comparisons for the general, highway, water, sewer, and fire protection funds for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 GAAS, 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 nonmajor fund financial statements 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 GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lumsden & McCormick, LLP

June 8, 2026

Management's Discussion and Analysis (Unaudited)

December 31, 2025

Introduction

Management's Discussion and Analysis (MD&A) of Town of Lockport, New York (the Town) provides an overview of the Town's financial activities and performance for the year ended December 31, 2025. The information contained in the MD&A should be considered in conjunction with the information presented in the Town's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the Town's financial position and results of operations. The Town's financial statements have the following components: (1) government-wide financial statements, (2) governmental fund financial statements, (3) reconciliations between the government-wide and governmental fund financial statements, (4) fiduciary fund financial statements, (5) notes to the financial statements, (6) required supplementary information, and (7) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Town's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference reported as net position. The statement of activities presents information showing how the Town's net position changed during each 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 the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the Town as a whole. All of the activities of the Town are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the Town's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Town maintains a custodial fund for real property taxes levied by another entity but collected and subsequently paid by the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs.

The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by accounting principles generally accepted in the United States of America.

Condensed Statement of Net Position		**2025**		2024		Change $	%
Current assets	**$**	**32,646,000**	$	32,359,000	$	287,000	0.9%
Capital assets		**50,048,000**		45,384,000		4,664,000	10.3%
Other noncurrent assets		**917,000**		965,000		(48,000)	(5.0%)
Total assets		**83,611,000**		78,708,000		4,903,000	6.2%
Deferred outflows of resources		**4,459,000**		3,821,000		638,000	16.7%
Long-term liabilities		**26,806,000**		26,554,000		252,000	0.9%
Other liabilities		**2,316,000**		1,256,000		1,060,000	84.4%
Total liabilities		**29,122,000**		27,810,000		1,312,000	4.7%
Deferred inflows of resources		**5,385,000**		6,164,000		(779,000)	(12.6%)
Net position							
Net investment in capital assets		**39,423,000**		34,009,000		5,414,000	15.9%
Restricted		**9,346,000**		10,571,000		(1,225,000)	(11.6%)
Unrestricted		**4,794,000**		3,975,000		819,000	20.6%
Total net position	**$**	**53,563,000**	$	48,555,000	$	5,008,000	10.3%

The Town's net position at December 31, 2025 and 2024 was $53,563,000 and $48,555,000, respectively. Capital assets (infrastructure, buildings, improvements, furniture, and equipment) represent the largest portion (59.9%) of the Town's total assets (57.7% in 2024). Long-term liabilities outstanding total 92.0% in 2025 and 95.5% in 2024 of total liabilities. A majority of the Town's long-term obligations relate directly to infrastructure and other capital assets, as well as liabilities associated with the Town's pension obligations, length of service award program (LOSAP), and other postemployment benefits (OPEB).

Current assets increased by $287,000 (increase of $3,170,000 or 10.9% in 2024). These balances consist of cash, investments including investments used to fund the Town's LOSAP obligation, and receivables from other governments and third parties. The changes in individual account balances generally reflect the timing of cash flows as well as results of operations, offset by current year capital spending. Capital assets increased by $4,664,000 (increase of $726,000 or 1.6% in 2024) due to continued construction on the Town's water and sewer projects offset by depreciation expense.

Other noncurrent assets include a lease receivable which decreased $48,000 (decrease of $46,000 or 4.5% in 2024) due to 2025 lease payments.

Long-term liabilities increased $252,000 (decrease of $165,000 or 0.6% in 2024) due to increases in the net pension liability and OPEB liability of $96,000 and $1,151,000, respectively. These increases were offset by decreases of $225,000 in the LOSAP liability for the benefit of the Town's volunteer firefighters and principal payments on the Town's debt of $750,000. The increase in other liabilities of $1,060,000 (decrease of $1,245,000 or 49.8% in 2024) was primarily the result of the timing of payments.

Changes in deferred outflows and deferred inflows of resources include changes in pension, LOSAP, and OPEB activity. Deferred outflows and deferred inflows of resources include contributions to be paid by the Town after the measurement date and also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions.

Condensed Statement of Activities		2025		2024		Change $	Change %
Revenue							
Program revenues							
Charges for services	$	4,835,000	$	4,576,000	$	259,000	5.7%
Operating grants and contributions		1,284,000		1,286,000		(2,000)	(0.2%)
General revenues							
Real property taxes		8,641,000		8,393,000		248,000	3.0%
Sales taxes		7,741,000		7,256,000		485,000	6.7%
Other		603,000		349,000		254,000	72.8%
Total revenue		23,104,000		21,860,000		1,244,000	5.7%
Expenses							
Support services							
General government support		4,034,000		3,806,000		228,000	6.0%
Public safety		2,147,000		1,877,000		270,000	14.4%
Health		6,000		10,000		(4,000)	(40.0%)
Transportation		3,665,000		3,069,000		596,000	19.4%
Economic assistance and opportunity		56,000		55,000		1,000	1.8%
Culture and recreation		211,000		217,000		(6,000)	(2.8%)
Home and community services		7,619,000		6,813,000		806,000	11.8%
Interest		358,000		378,000		(20,000)	(5.3%)
Total expenses		18,096,000		16,225,000		1,871,000	11.5%
Change in net position		5,008,000		5,635,000		(627,000)	(11.1%)
Net position - beginning		48,555,000		42,920,000		5,635,000	13.1%
Net position - ending	$	53,563,000	$	48,555,000	$	5,008,000	10.3%

The main revenue sources supporting the Town's programs are real property and sales taxes, which represent 70.9% of total revenues (71.6% in 2024). The real property tax increase of $248,000 (increase of $213,000 or 2.6% in 2024) is consistent with the budgeted tax increase. As determined by the Town's Board, real property taxes are not used to finance the operations of the Town's general and highway funds; rather, the Board elects to apply these resources to provide for operations of the Town's water, sewer, fire protection, refuse, and lighting districts. Sales tax revenue increased by $485,000 (decrease of $16,000 or 0.2% in 2024) and represents the increase in sales and activities in the region.

Total expenses increased $1,871,000 (decrease of $508,000 or 3.0% in 2024). Payroll increased $307,000 or 10.3% (increased $224,000 or 8.1% in 2024) due to an increase in overtime and salary increases mandated through collective bargaining agreements. Employee benefits are allocated over all of the support services expenses based on the amount of payroll in each area and includes pension, LOSAP, and OPEB expenses, which are all driven by actuarial assumptions; health insurance; workers' compensation; and other employee benefits. Total employee benefits increased by $146,000 or 8.1% in 2025 (decreased by $381,000 or 17.5% in 2024). The largest expense category incurred by the Town is for home and community services. This category represents services to residents such as water and sewer delivery, refuse collection, and infrastructure maintenance. Total home and community service expenses were 42.1% of total expenses (42.0% in 2024) increasing by $806,000 (decrease of $663,000 or 8.9% in 2024) due to increases in expenses for water provided by Niagara County, sewer treatment costs, and salary and benefit increases.

Financial Analysis of the Town's Funds

Total fund balances for the governmental funds increased from $31,064,000 to $30,394,000 as described below:

- Revenue for all funds totaled $23,104,000 ($21,882,000 in 2024) and increased by $1,222,000 or 5.6% (decrease of $1,094,000 or 4.8% in 2024). This increase in revenue is due to the previously mentioned increases in real property and sales taxes, mortgage tax, and water and sewer charges due to increases in rates.
- Total expenditures increased $5,883,000 or 32.9% (decrease of $5,522,000 or 23.6% in 2024). Capital projects expenditures totaled $4,138,000 in 2025, which was an increase of $3,288,000 from 2024 expenditures of $850,000, as the Town started the next phases of their water and sewer projects.

General Fund Budgetary Highlights

Budgeted revenues exceeded actual revenues by $194,000 or 3.1%. The largest variances were in State sources, which were under budget by $778,000 offset by nonproperty tax items, which were over budget by $662,000. Expenditures (before other financing uses) were under budget by $1,459,000 or 19.0% with the largest variances occurring in home and community services of $838,000 and general government support of $401,000.

Capital Assets

December 31,	2025	2024
Land	$ 1,048,000	$ 1,048,000
Construction in progress	5,656,000	249,000
Land improvements	2,339,000	2,107,000
Infrastructure	105,697,000	105,412,000
Buildings and improvements	5,730,000	5,263,000
Furniture and equipment	6,908,000	6,900,000
	127,378,000	120,979,000
Accumulated depreciation	(77,330,000)	(75,595,000)
	$ 50,048,000	$ 45,384,000

Depreciation expense and disposals totaled $1,817,000 while capital asset additions totaled $6,481,000. A majority of the capital asset additions relate directly to the water and sewer projects as previously noted.

Debt

At December 31, 2025, the Town had $10,625,000 in bonds outstanding, with $765,000 due within one year ($11,375,000 outstanding in 2024). The compensated absences liability totaled $498,000, with $73,000 due within one year ($518,000 outstanding at December 31, 2024).

Additional information on the Town's long-term liabilities can be found in the notes to the financial statements.

Factors Impacting the Town's Future

The Town continues to experience modest population growth which carries with it increases in costs for highway maintenance and other government services. Work continues on the Town's water and sewer infrastructure projects. The Town Board attempts to manage rising costs and increased demand for services without having to increase taxes and fees.

Contact for the Town's Financial Management

This report is designed to provide a general overview of the finances of the Town of Lockport for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Mark Crocker, Supervisor, 6560 Dysinger Road, Lockport, New York, 14094.

Statement of Net Position

December 31, 2025
(with comparative totals as of December 31, 2024)

	2025	2024
Assets		
Cash	$ 24,440,506	$ 24,659,178
Investments	6,014,195	5,728,287
Accounts receivable	1,018,582	903,027
Due from other governments	1,172,650	894,260
Prepaid insurance and other	-	174,558
Lease receivable	916,540	964,830
Capital assets (Note 4)	127,377,634	120,979,088
Accumulated depreciation	(77,329,581)	(75,595,163)
Total assets	83,610,526	78,708,065
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	963,990	1,228,354
Deferred outflows of resources related to LOSAP	1,494,773	1,805,701
Deferred outflows of resources related to OPEB	2,000,464	787,166
Total deferred outflows of resources	4,459,227	3,821,221
Liabilities		
Accounts payable	1,753,856	705,011
Accrued liabilities	559,521	486,351
Unearned revenue	-	61,009
Due to other governments	2,453	3,417
Long-term liabilities		
Due within one year		
Bonds	765,000	750,000
Compensated absences	73,260	51,786
Due beyond one year		
Bonds	9,860,000	10,625,000
Compensated absences	425,000	466,073
Net pension liability	1,203,346	1,107,830
Collective total LOSAP pension liability	6,075,183	6,300,219
Total OPEB liability	8,404,690	7,253,407
Total liabilities	29,122,309	27,810,103
Deferred Inflows of Resources		
Deferred inflows of resources related to leases	916,540	964,830
Deferred inflows of resources related to pensions	82,618	613,775
Deferred inflows of resources related to LOSAP	2,546,434	2,702,707
Deferred inflows of resources related to OPEB	1,839,196	1,883,216
Total deferred inflows of resources	5,384,788	6,164,528
Net Position		
Net investment in capital assets	39,423,053	34,008,925
Restricted	9,354,014	10,571,135
Unrestricted	4,785,589	3,974,595
Total net position	$ 53,562,656	$ 48,554,655

See accompanying notes.

Statement of Activities

For the year ended December 31, 2025
(with summarized comparative totals for December 31, 2024)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue: 2025	Net (Expense) Revenue: 2024
Governmental activities					
General government support	$ 4,034,474	$ 570,405	$ 622,329	**$ (2,841,740)**	$ (2,535,421)
Public safety	2,146,709	227,852	-	**(1,918,857)**	(1,588,461)
Health	6,049	-	-	**(6,049)**	(9,449)
Transportation	3,664,924	11,370	390,199	**(3,263,355)**	(2,689,531)
Economic assistance and opportunity	55,560	-	-	**(55,560)**	(55,434)
Culture and recreation	211,336	28,800	3,750	**(178,786)**	(47,522)
Home and community services	7,619,463	3,996,262	267,309	**(3,355,892)**	(3,059,412)
Interest expense	357,632	-	-	**(357,632)**	(377,951)
	$ 18,096,147	$ 4,834,689	$ 1,283,587	**(11,977,871)**	(10,363,181)
General revenues					
Real property taxes				**8,641,132**	8,393,309
Sales taxes				**7,741,598**	7,256,351
Interest income				**596,270**	301,923
Gain on disposal of capital assets				**6,872**	46,408
Total general revenues				**16,985,872**	15,997,991
Change in net position				**5,008,001**	5,634,810
Net position - beginning				**48,554,655**	42,919,845
Net position - ending				**$ 53,562,656**	$ 48,554,655

See accompanying notes.

Balance Sheet - Governmental Funds

December 31, 2025
(with summarized comparative totals as of December 31, 2024)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total Governmental Funds 2025	Total Governmental Funds 2024
Assets									
Cash	$ 11,766,152	$ 2,300,426	$ 4,662,362	$ 1,683,887	$ 737,421	1,253,928	$ 2,036,330	**$ 24,440,506**	$ 24,659,178
Investments	541,856	-	-	-	5,472,339	-	-	**6,014,195**	5,728,287
Accounts receivable	186,795	111,697	468,374	251,716	-	-	-	**1,018,582**	903,027
Due from other funds, net	-	-	-	817,468	-	464,089	32,868	**1,314,425**	794,619
Due from other governments	810,486	-	189,333	171,875	-	-	956	**1,172,650**	894,260
Prepaid expenses	59,491	28,828	9,825	9,825	-	-	-	**107,969**	105,409
Lease receivable	916,540	-	-	-	-	-	-	**916,540**	964,830
Total assets	$ 14,281,320	$ 2,440,951	$ 5,329,894	$ 2,934,771	$ 6,209,760	$ 1,718,017	$ 2,070,154	**$ 34,984,867**	$ 34,049,610
Liabilities									
Accounts payable	$ 331,610	$ 41,357	$ 356,428	$ 311,602	$ 2,219	$ 605,566	$ 105,074	**$ 1,753,856**	$ 705,011
Accrued liabilities	595,808	-	7,973	-	-	-	-	**603,781**	456,351
Unearned revenue	-	-	-	-	-	-	-	**-**	61,009
Due to other funds, net	13,090	185	1,300,970	-	180	-	-	**1,314,425**	794,619
Due to other governments	2,453	-	-	-	-	-	-	**2,453**	3,417
Total liabilities	942,961	41,542	1,665,371	311,602	2,399	605,566	105,074	**3,674,515**	2,020,407
Deferred Inflows of Resources									
Deferred inflows of resources related to leases	916,540	-	-	-	-	-	-	**916,540**	964,830
Fund Balances									
Nonspendable	67,932	28,828	9,825	9,825	-	-	-	**116,410**	113,851
Restricted:									
Debt service	-	-	-	-	-	-	2,118	**2,118**	535,262
Water	-	-	3,654,698	-	-	-	-	**3,654,698**	4,378,069
Sewer	-	-	-	2,613,344	-	-	-	**2,613,344**	2,172,042
Fire protection	-	-	-	-	6,207,361	-	-	**6,207,361**	5,765,896
Capital	-	-	-	-	-	1,112,451	-	**1,112,451**	1,844,784
Refuse	-	-	-	-	-	-	798,637	**798,637**	577,911
Special districts	-	-	-	-	-	-	1,164,325	**1,164,325**	1,063,067
Committed	-	2,370,581	-	-	-	-	-	**2,370,581**	1,959,778
Assigned:						-			
Designated for subsequent year's expenditures	300,000	-	-	-	-	-	-	**300,000**	1,300,000
Other	-	-	-	-	-	-	-	**-**	165,000
Unassigned	12,053,887	-	-	-	-	-	-	**12,053,887**	11,188,713
Total fund balances	12,421,819	2,399,409	3,664,523	2,623,169	6,207,361	1,112,451	1,965,080	**30,393,812**	31,064,373
Total liabilities, deferred inflows of resources, and fund balances	$ 14,281,320	$ 2,440,951	$ 5,329,894	$ 2,934,771	$ 6,209,760	$ 1,718,017	$ 2,070,154	**$ 34,984,867**	$ 34,049,610

See accompanying notes.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2025

Total fund balances - governmental funds		$ 30,393,812
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		50,048,053
The Town's pension, LOSAP, and OPEB liabilities and related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements as follows:		
Pension	(429,943)	
LOSAP	(7,126,844)	
OPEB	(8,243,422)	(15,800,209)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(29,000)	
Bonds	(10,625,000)	
Compensated absences	(425,000)	(11,079,000)
Net position - governmental activities		$ 53,562,656

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

For the year ended December 31, 2025
(with summarized comparative totals for December 31, 2024)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total Governmental Funds 2025	Total Governmental Funds 2024
Revenues									
Real property taxes	$ -	$ -	$ 1,457,926	$ 3,776,430	$ 1,901,250	$ -	$ 1,505,526	**$ 8,641,132**	$ 8,393,309
Nonproperty tax items	4,525,998	3,215,600	-	-	-	-	-	**7,741,598**	7,256,351
Departmental income	111,876	-	2,522,451	1,424,258	-	-	49,553	**4,108,138**	3,506,240
Use of money and property	241,710	6,024	45,434	19,307	369,688	9,509	15,102	**706,774**	387,927
Licenses and permits	162,138	11,370	-	-	-	-	-	**173,508**	289,227
Fines and forfeitures	227,852	-	-	-	-	-	-	**227,852**	288,296
Miscellaneous local sources	128,718	29,485	3,151	3,150	50,138	-	45	**214,687**	405,714
Sale of property and compensation for loss	-	4,314	2,558	-	-	-	-	**6,872**	68,694
State sources	685,504	390,199	-	146,875	-	-	-	**1,222,578**	973,734
Federal sources	61,009	-	-	-	-	-	-	**61,009**	312,408
Total revenues	6,144,805	3,656,992	4,031,520	5,370,020	2,321,076	9,509	1,570,226	**23,104,148**	21,881,900
Expenditures									
General government support	4,116,879	-	-	-	-	-	-	**4,116,879**	2,627,366
Public safety	449,716	-	-	-	1,490,850	-	-	**1,940,566**	1,735,258
Health	6,049	-	-	-	-	-	-	**6,049**	6,028
Transportation	156,503	2,600,487	-	-	-	-	5,498	**2,762,488**	2,839,146
Economic assistance and opportunity	55,560	-	-	-	-	-	-	**55,560**	55,434
Culture and recreation	365,746	-	-	-	-	-	-	**365,746**	396,342
Home and community services	222,301	-	2,016,313	3,484,196	-	4,138,482	1,242,731	**11,104,023**	7,089,536
Employee benefits	1,010,374	578,736	168,448	168,447	388,761	-	-	**2,314,766**	2,037,264
Debt service									
Principal	-	-	470,000	280,000	-	-	-	**750,000**	725,000
Interest	-	-	205,369	153,263	-	-	-	**358,632**	379,951
Total expenditures	6,383,128	3,179,223	2,860,130	4,085,906	1,879,611	4,138,482	1,248,229	**23,774,709**	17,891,325
Excess revenues (expenditures)	(238,323)	477,769	1,171,390	1,284,114	441,465	(4,128,973)	321,997	**(670,561)**	3,990,575
Other financing sources (uses)									
Operating transfers, net	(126,898)	-	(2,420,642)	(849,100)	-	3,396,640	-	**-**	-
Net change in fund balances	(365,221)	477,769	(1,249,252)	435,014	441,465	(732,333)	321,997	**(670,561)**	3,990,575
Fund balances - beginning	12,787,040	1,921,640	4,913,775	2,188,155	5,765,896	1,844,784	1,643,083	**31,064,373**	27,073,798
Fund balances - ending	$ 12,421,819	$ 2,399,409	$ 3,664,523	$ 2,623,169	$ 6,207,361	$ 1,112,451	$ 1,965,080	**$ 30,393,812**	$ 31,064,373

See accompanying notes.

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the year ended December 31, 2025

Total net change in fund balances - governmental funds		$ (670,561)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense and disposals.		4,664,128
Pension, LOSAP, and OPEB expenses are recognized when paid in the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
Pension	156,159	
LOSAP	70,381	
OPEB	106,035	332,575
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.		750,000
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. The differences are:		
Prepaid expenses	(162,000)	
Interest expense	1,000	
Compensated absences	92,859	(68,141)
Change in net position - governmental activities		$ 5,008,001

See accompanying notes.

Statement of General and Major Special Revenue Funds Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual

For the year ended December 31, 2025

	General Fund				Highway Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)
Revenues								
Nonproperty tax items	$ 3,363,795	$ 3,863,795	$ 4,525,998	$ 662,203	$ 3,215,600	$ 3,215,600	$ 3,215,600	$ -
Departmental income	100,720	100,720	111,876	11,156	-	-	-	-
Use of money and property	261,000	261,000	241,710	(19,290)	7,500	7,500	6,024	(1,476)
Licenses and permits	255,620	255,620	162,138	(93,482)	10,000	10,000	11,370	1,370
Fines and forfeitures	250,000	250,000	227,852	(22,148)	-	-	-	-
Miscellaneous local sources	144,000	144,000	128,718	(15,282)	19,000	19,000	29,485	10,485
Sale of property and compensation for loss	-	-	-	-	7,100	7,100	4,314	(2,786)
State sources	1,463,562	1,463,562	685,504	(778,058)	322,700	322,700	390,199	67,499
Federal sources	-	-	61,009	61,009	-	-	-	-
Total revenues	5,838,697	6,338,697	6,144,805	(193,892)	3,581,900	3,581,900	3,656,992	75,092
Expenditures								
General government support	3,858,192	4,452,462	4,051,879	(400,583)	-	-	-	-
Public safety	414,540	465,275	449,716	(15,559)	-	-	-	-
Health	6,800	6,800	6,049	(751)	-	-	-	-
Transportation	210,176	168,741	156,503	(12,238)	2,810,000	2,810,000	2,600,487	(209,513)
Economic assistance and opportunity	59,800	59,800	55,560	(4,240)	-	-	-	-
Culture and recreation	413,850	421,660	265,746	(155,914)	-	-	-	-
Home and community services	1,172,339	1,060,364	222,301	(838,063)	-	-	-	-
Employee benefits	1,168,000	1,041,695	1,010,374	(31,321)	771,900	771,900	578,736	(193,164)
Total expenditures	7,303,697	7,676,797	6,218,128	(1,458,669)	3,581,900	3,581,900	3,179,223	(402,677)
Excess revenues (expenditures)	(1,465,000)	(1,338,100)	(73,323)	1,264,777	-	-	477,769	477,769
Other financing sources (uses)								
Operating transfers out	-	(126,900)	(126,898)	(2)	-	-	-	-
Appropriated fund balance and carryover encumbrances	1,465,000	1,465,000	-	(1,465,000)	-	-	-	-
Total other financing sources (uses)	1,465,000	1,338,100	(126,898)	(1,464,998)	-	-	-	-
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ (200,221)	$ (200,221)	$ -	$ -	$ 477,769	$ 477,769

See accompanying notes.

Statement of General and Major Special Revenue Funds Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual (continued)

For the year ended December 31, 2025

	Water Fund				Sewer Fund				Fire Protection Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final			Original	Final		
Revenues												
Real property taxes	$ 1,457,919	$ 1,457,919	$ 1,457,926	$ 7	$ 3,776,430	$ 3,776,430	$ 3,776,430	$ -	$ 1,901,250	$ 1,901,250	$ 1,901,250	$ -
Departmental income	2,367,500	2,367,500	2,522,451	154,951	1,215,970	1,215,970	1,424,258	208,288	-	-	-	-
Use of money and property	50,000	50,000	45,434	(4,566)	23,000	23,000	19,307	(3,693)	10,500	10,500	369,688	359,188
Miscellaneous local sources	2,500	2,500	3,151	651	2,500	2,500	3,150	650	31,000	31,000	50,138	19,138
Sale of property and compensation for loss	10,000	10,000	2,558	(7,442)	1,000	1,000	-	(1,000)	-	-	-	-
State sources	-	-	-	-	-	-	146,875	146,875	-	-	-	-
Total revenues	3,887,919	3,887,919	4,031,520	143,601	5,018,900	5,018,900	5,370,020	351,120	1,942,750	1,942,750	2,321,076	378,326
Expenditures												
Public safety	-	-	-	-	-	-	-	-	1,492,750	1,492,750	1,490,850	(1,900)
Home and community services	2,058,950	2,058,950	2,016,313	(42,637)	3,532,930	3,532,930	3,484,196	(48,734)	-	-	-	-
Employee benefits	203,600	203,600	168,448	(35,152)	203,600	203,600	168,447	(35,153)	450,000	450,000	388,761	(61,239)
Debt service												
Principal	470,000	470,000	470,000	-	280,000	280,000	280,000	-	-	-	-	-
Interest	205,369	205,369	205,369	-	153,270	153,270	153,263	(7)	-	-	-	-
Total expenditures	2,937,919	2,937,919	2,860,130	(77,789)	4,169,800	4,169,800	4,085,906	(83,894)	1,942,750	1,942,750	1,879,611	(63,139)
Excess revenues (expenditures)	950,000	950,000	1,171,390	221,390	849,100	849,100	1,284,114	435,014	-	-	441,465	441,465
Other financing sources (uses)												
Operating transfers out	(950,000)	(2,420,642)	(2,420,642)	-	(849,100)	(849,100)	(849,100)	-	-	-	-	-
Appropriated fund balance and carryover encumbrances	-	1,470,642	-	(1,470,642)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(950,000)	(950,000)	(2,420,642)	(1,470,642)	(849,100)	(849,100)	(849,100)	-	-	-	-	-
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ (1,249,252)	$ (1,249,252)	$ -	$ -	$ 435,014	$ 435,014	$ -	$ -	$ 441,465	$ 441,465

TOWN OF LOCKPORT, NEW YORK

Statement of Fiduciary Net Position - Custodial Fund

December 31, 2025
(with comparative totals as of December 31, 2024)

	2025	2024
Assets	**$ -**	$ -
Net Position	**$ -**	$ -

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TOWN OF LOCKPORT, NEW YORK

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended December 31, 2025
(with comparative totals for December 31, 2024)

	2025	2024
Additions		
Real property taxes collected for County of Niagara	**$ 12,071,455**	$ 11,891,227
Deductions		
Real property taxes distributed to County of Niagara	**12,071,455**	11,891,227
Change in net position	**-**	-
Net position - beginning	**-**	-
Net position - ending	**$ -**	$ -

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Town of Lockport, New York (the Town) is governed by local laws and ordinances, Town law, General Municipal Law, and other laws of the State of New York (the State). The governing body is the elected Town Board (the Board). The Town Supervisor serves as the chief executive and fiscal officer. The scope of activities included within the financial statements are those transactions which comprise the Town's operations and are governed by, or significantly influenced by, the Board. The primary functions of the Town are to provide basic services such as governmental administration, tax collection, highway, sewer, water, fire protection, refuse collection, lighting, and recreational services.

The financial reporting entity includes all funds, account groups, functions, and organizations over which Town officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Town has no component units as defined by accounting principles generally accepted in the United States of America (GAAP).

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

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities display financial activities of the overall Town, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through real property and sales taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities:

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the Town's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses based on a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and fines and assessments collected for violations of traffic laws or Town ordinances, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) capital grants and contributions limited to the purchase or construction of specific capital assets, if any. Revenues that are not classified as program revenues, including real property and sales taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major funds:

- *General fund.* This is the Town's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Highway fund.* This is a special revenue fund whose specific revenue sources are restricted to expenditures for the repairs and maintenance of the Town's roadways.
- *Water fund.* This is a special revenue fund whose specific revenue sources, including real property taxes, are restricted for the operations and support of the Town's water delivery system.
- *Sewer fund.* This is a special revenue fund whose specific revenue sources, including real property taxes, are restricted for the operations and support of the infrastructure surrounding the Town's sewer system.
- *Fire protection fund.* This is a special revenue fund whose revenues, which are derived from real property taxes levied specifically on the residents of these districts, are restricted for the operations of the Town's legally created fire protection districts.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Town's nonmajor funds include the refuse, special districts (lighting and sidewalk), and debt service funds. Each fund is established to account for the separate activities for which it is named.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Town maintains a custodial fund for the collection and distribution of real property taxes for the benefit of other governments.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town receives value directly without giving equal value in exchange, include property and sales taxes, grants, and donations. Revenue from real property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset additions are reported as expenditures in the governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

Subsequent Events

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 8, 2026, the date the financial statements were available to be issued. Prior to the date the financial statements were issued, the Town issued a bond anticipation note (BAN) in the amount of $5,000,000 with an interest rate of 3.0% and a maturity date of March 25, 2027 to finance a water district project.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Real Property Taxes

Real property taxes are levied annually no later than December 31st and become a lien on January 1. Taxes for the County of Niagara (the County) are levied together with taxes for the Town and its special districts on a single bill. The Town and special districts receive their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all unpaid taxes levied by the Town and its special districts.

Budget Process, Amendments, and Encumbrances

Annual appropriations are adopted and employed for control of the general and special revenue funds. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year are increased by the planned use of specific restricted, committed, or assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

No later than October 5th of each year, a tentative budget is submitted to the Board for the fiscal year commencing the following January 1. The tentative budget includes both proposed expenditures and the means of financing for all funds requiring a budget. After public hearings are conducted to obtain comments from interested parties, the Board adopts the budget. The Town Supervisor exercises administrative budgetary control throughout the year. All modifications to the budget must be approved by the Board.

Major capital expenditures are subject to individual project budgets determined primarily by the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At January 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Budgetary comparisons presented in these financial statements are on the budgetary basis and represent the budget as modified. The following is a reconciliation of expenditures and fund balance for the general fund computed on a GAAP and a budgetary basis:

	General
GAAP basis expenditures	$ 6,383,128
Encumbrances at 12/31/2025	-
Encumbrances at 12/31/2024	(165,000)
Budgetary basis expenditures	$ 6,218,128

Cash and Investments

Cash and investment management is governed by State laws and as established in the Town's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town's policies permit the Town Supervisor to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2025, the Town's bank deposits were fully insured by FDIC coverage or collateralized with securities held by the pledging institutions' agents or in an undivided security interest pool for public funds in the Town's name.

Prepaid Expenses

Pension payments made to the New York State and Local Employees' Retirement System (ERS) in December of each year include costs applicable to future periods which are recorded as prepaid expenses on a fund basis. On a government-wide basis, such payments are included in deferred outflows of resources related to pensions.

Leases Receivable and Deferred Inflows of Resources Related to Leases

Leases receivable and deferred inflows of resources related to leases are initially recorded at the present value of the expected future lease payments. Principal repayments and interest revenue are recognized as payments are received. Lease revenue is recognized using the effective interest rate over the lease term as deferred inflows of resources are amortized.

The Town leases a portion of one of its buildings to the New York State Police through September 2037. Rental income earned from this lease during 2025 totaled $48,290 and corresponding interest earned on the lease receivable totaled $37,714 at a rate of 4.0%.

Capital Assets

Capital assets including infrastructure are generally reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide financial statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which assets are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	$ 1,500	40
Infrastructure	$ 1,500	40-50
Buildings and improvements	$ 1,500	40
Furniture and equipment	$ 1,500	5-15
Vehicles	$ 1,500	8

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and unused accumulated sick, vacation, and personal time that is more likely than not to be used, paid, or settled by noncash means prior to or at termination of employment. Such accumulated time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement based on estimates of amount used for each. Year to year changes in the liability are presented as a net increase or decrease (Note 5).

Pensions

The Town participates in ERS as mandated by State law. ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide financial statements, the Town recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position (Note 6) on the same basis as reported by the defined benefit pension plan.

Length of Service Award Programs (LOSAP)

The collective total LOSAP pension liability, deferred outflows and deferred inflows of resources, and LOSAP pension expense for the Town's defined benefit LOSAP pension plan (Note 7) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with benefit terms.

Other Postemployment Benefits (OPEB)

The total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the Town's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan on the government-wide financial statements. Benefit payments are recognized when due and payable in accordance with benefit terms.

Equity Classifications

Government-Wide Financial Statements

The Town is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or the terms of the Town's bonds.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the Town.

Governmental Fund Financial Statements

The Town considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget or the revenue source is specifically restricted or committed for expenditure. Within unrestricted fund balance, the Town considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash, such as prepaid expenses, or are legally required to be held intact and include the permanent maintenance reserve, which is used for the permanent maintenance of the cemetery grounds, and the perpetual care fund, which is funded by families for the purpose of beautification of a particular cemetery plot. Amounts permanently required to be held intact for cemetery maintenance and care are included in the general fund and total $8,441.

Restricted fund balances result from residual fund balance in special revenue funds as there is a legally enforceable requirement that such funds be used for the purposes for which the taxes were levied. Fund balance restrictions also consist of reserves established by the State of New York Legislature and included in General Municipal Law, as authorized for use by the Board, including interest earnings thereon. The Town currently maintains a debt service reserve, which is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.

Committed fund balances are authorized by the Board as recommended by the Town's management prior to the end of the year, although funding of the commitment may be established subsequent to year end. The Town Board has committed a portion of sales tax proceeds to highway operations as well as certain funds to be used towards green space and recreational facilities.

Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board has given management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Interfund Balances

The operations of the Town include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the Town's practice to settle these amounts at the net balances due between funds.

2. Investments

Investments include certificates of deposit with original maturities greater than 90 days as well as resources restricted to the Town's LOSAP plan. LOSAP investments consist primarily of annuity contracts and cash value of life insurance policies. Annuity contracts are valued at cost plus accreted interest.

Credit risk is the risk of loss attributed to the Town's investment in a single issuer. The Town diversifies its LOSAP investments.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town manages its exposure by limiting its investments to those with low risk in accordance with General Municipal Law.

3. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
General	$ 2,771	$ 15,861	$ -	$ 126,898
Highway	-	185	-	-
Water	-	1,300,970	-	2,420,642
Sewer	817,968	500	-	849,100
Fire protection	-	180	-	-
Capital projects	464,089	-	3,396,640	-
Special districts	32,868	-	-	-
	$ 1,317,696	$ 1,317,696	$ 3,396,640	$ 3,396,640

Water and sewer services are included in one billing, total payments received are deposited into the water fund, and the water fund then transfers to the sewer fund its share of revenue earned. The amounts due to the special districts funds from the water fund represent revenue attributable to those funds. Amounts owed to the capital projects fund from the water fund are for a water construction project. Other amounts owed between funds are strictly for cash flow purposes. Amounts transferred to the capital projects fund from the general, water, and sewer funds represent the funding of and costs associated with various capital projects and are considered permanent.

4. Capital Assets

	January 1, 2025	Increases	Retirements/ Reclassifications	December 31, 2025
Non-depreciable capital assets:				
Land	$ 1,048,037	$ -	$ -	$ 1,048,037
Construction in progress	249,159	5,406,752	-	5,655,911
Total non-depreciable assets	1,297,196	5,406,752	-	6,703,948
Depreciable capital assets:				
Land improvements	2,107,621	198,076	33,161	2,338,858
Infrastructure	105,411,752	-	285,267	105,697,019
Buildings and improvements	5,262,793	467,260	-	5,730,053
Furniture and equipment	6,899,726	409,464	(401,434)	6,907,756
Total depreciable assets	119,681,892	1,074,800	(83,006)	120,673,686
Accumulated depreciation:				
Land improvements	(747,885)	(88,218)	(829)	(836,932)
Infrastructure	(66,812,581)	(1,229,628)	(212,213)	(68,254,422)
Buildings and improvements	(3,341,683)	(119,172)	-	(3,460,855)
Furniture and equipment	(4,693,014)	(380,406)	296,048	(4,777,372)
Total accumulated depreciation	(75,595,163)	(1,817,424)	83,006	(77,329,581)
Depreciable assets, net	44,086,729	(742,624)	-	43,344,105
	$ 45,383,925	$ 4,664,128	$ -	$ 50,048,053

Depreciation expense has been allocated to the following functions: general government support $999,091, transportation $494,721, and home and community $323,612.

As of December 31, 2025, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 50,048,053
Serial bonds	(10,625,000)
	$ 39,423,053

5. Long-Term Liabilities

	January 1, 2025	Increases	Decreases	December 31, 2025	Amount Due in One Year
Serial bonds	$ 11,375,000	$ -	$ 750,000	$ 10,625,000	$ 765,000
Compensated absences	517,859	-	19,599	498,260	73,260
	$ 11,892,859	$ -	$ 769,599	$ 11,123,260	$ 838,260

Existing Obligations

Description	Final Maturity	Interest Rate	Balance
2016 Public Improvement Serial Bond	December 2036	3.25-4.00%	$ 3,270,000
2018 Public Improvement Serial Bond	December 2037	3.00-4.00%	4,555,000
2019 Public Improvement Serial Bond	December 2037	2.00-2.125%	2,800,000
			$ 10,625,000

Debt Service Requirements

Years ending December 31,	Principal	Interest
2026	$ 765,000	$ 336,506
2027	790,000	313,894
2028	810,000	290,582
2029	845,000	266,676
2030	865,000	241,688
2031-2035	4,770,000	787,584
2036-2037	1,780,000	85,387
	$ 10,625,000	$ 2,322,317

6. Pension Plan

Plan Description

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

Benefits: ERS provides retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee’s individual circumstances using a pension factor, an 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.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The State Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Town to the pension accumulation fund. For 2025, these rates ranged from 12.6% - 19.3%.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the Town reported a liability of $1,203,346 for its proportionate share of the net pension position. The total pension liability at the March 31, 2025 measurement date was determined by an actuarial valuation as of April 1, 2024, with update procedures applied to roll forward the total pension liability to March 31, 2025. The Town’s proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS’s total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2025, the Town’s proportion was 0.0070183%, a decrease of 0.0005057 from its proportion measured as of March 31, 2024.

For the year ended December 31, 2025, the Town recognized pension expense of $260,603 on the government-wide financial statements. At December 31, 2025, the Town reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 298,679	$ (14,089)
Changes of assumptions	50,466	-
Net difference between projected and actual earnings on pension plan investments	94,411	-
Changes in proportion and differences between Town contributions and the proportionate share of contributions	88,554	(68,529)
Town contributions subsequent to the measurement date	431,880	-
	$ 963,990	$ (82,618)

Contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	
2026	$ 215,328
2027	316,209
2028	(89,500)
2029	7,455
	$ 449,492

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2024 valuation, with update procedures used to roll forward the total pension liability to March 31, 2025, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.9%
Salary increases – 4.3%
Cost of living adjustments – 1.5% annually
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2021
Discount rate – 5.9%

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

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and ERS's target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	25%	3.5%
Global and international equities	14%	6.6%
Private equities	15%	7.3%
Real estate equities	12%	5.0%
Domestic fixed income securities	22%	2.0%
Cash and cash equivalents	1%	0.3%
Other	11%	5.3%-5.6%
	100%	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan 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 fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of its net pension position 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.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town's proportionate share of the net pension asset (liability)	$ (3,482,636)	$ (1,203,346)	$ 699,862

7. LOSAP

Plan Description

The Town maintains a single defined benefit LOSAP pension plan for active volunteers of the Gasport, Rapids, South Lockport, Terry's Corners, and Wrights Corners fire departments (the program). The program was established pursuant to Article 11-A of State General Municipal Law and provides municipally-funded pension benefits to facilitate the recruitment and retention of volunteers. The Town is the sponsor of this single employer program.

Under LOSAP, participating volunteers are paid a service award upon attainment of the program's entitlement age based upon the number of years of credited service. Active volunteers age 18 or older who have completed one year of service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of service or upon attaining the program's entitlement age of 65.

A participant's service award benefit is the actuarial equivalent of a monthly payment for life with payments guaranteed for at least 10 years equal to $20 multiplied by the person's number of years of service earned. The number of years of service used to compute the benefit cannot exceed 30 years. Benefits are payable when the participant reaches entitlement age except in the case of disability or death. The program provides death and disability benefits equal to the greater of the insurance face amount or present value of the accrued benefit. Members who remain active after attaining the entitlement age and receive their accumulated service award payout from the fund may continue to qualify annually for a post-entitlement payment. Such services are paid by the Town through the fire protection fund. Program assets are held in trust for the exclusive purpose of providing benefits to participants and their beneficiaries or for defraying reasonable expenses of the operation and administration of the program. The Board created a Service Award Program Trust Fund through the adoption of the Trust document, a copy of which is available from the Town Clerk. The trust is not legally protected from creditors, and therefore such amounts are included in investments on the accompanying financial statements rather than as a reduction of the collective total LOSAP pension liability.

At December 31, 2025, participants covered by the program include:

Active participants	101
Inactive participants or beneficiaries currently receiving benefits	115
Inactive participants entitled to but not yet receiving benefits	72
	288

Collective Total LOSAP Pension Liability, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to LOSAP

At December 31, 2025, the Town reported a collective total LOSAP pension liability of $6,075,183. The collective total LOSAP pension liability was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2026.

For the year ended December 31, 2025, the Town recognized LOSAP pension expense of $262,251 on the government-wide financial statements. At December 31, 2025, the Town reported deferred outflows and deferred inflows of resources related to LOSAP as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 227,104	$ (351,805)
Changes of assumptions	1,267,669	(2,194,629)
	$ 1,494,773	$ (2,546,434)

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

Years ending December 31,	
2026	$ (142,889)
2027	(142,889)
2028	(142,889)
2029	(110,030)
2030	(85,687)
Thereafter	(427,277)
	$ (1,051,661)

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2026 valuation were based on the following assumptions, applied to all periods included in the measurement:

Salary increases – not applicable
Inflation – 2.60%
Investment rate of return – 4.41%, net of investment expense, including inflation
Mortality – RP-2000 Combined - Unisex
Discount rate – 4.41%, based on the Fidelity 20-year General Obligation AA Bond index

Changes in the Collective Total Pension Liability

	Collective Total LOSAP Pension Liability
Balance at December 31, 2024	$ (6,300,219)
Changes for the year:	
Service cost	(76,556)
Interest	(256,186)
Changes of assumptions or other inputs	180,906
Differences between expected and actual experience	76,612
Benefit payments	300,260
Net changes	225,036
Balance at December 31, 2025	$ (6,075,183)

The following presents the Town's collective total pension liability calculated using the discount rate of 4.41% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town's proportionate share of the collective total LOSAP pension liability	$ (6,923,000)	$ (6,075,183)	$ (5,382,000)

8. OPEB

Plan Description

The Town maintains a single-employer defined benefit healthcare plan (the Plan) providing for lifetime medical benefits to certain eligible retirees and their spouses. Benefit provisions are based on individual contracts with the Town, as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility is based on retired employees age 55 and over with ten to twenty-five years of service depending on hire date and contract applicability. The Plan has no assets, does not issue financial statements, and is not a trust.

At December 31, 2025, employees covered by the Plan include:

Active employees	45
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	-
	89

Total OPEB Liability

The Town's total OPEB liability of $8,404,690 was measured as of September 30, 2025, and was determined by an actuarial valuation as of December 31, 2025. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – short-term trend rate based on the National Health Expenditure Projections 2017-2033 and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2025 version 1b (updated September 2024) for long-term rates, initially 6.1% with an ultimate rate of 3.7% after 2070
Salary increases – 3.30%
Mortality – Pub-2016 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2021
Discount rate – 4.42% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.30%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2024	$ (7,253,407)
Changes for the year:	
Service cost	(136,636)
Interest	(272,768)
Changes of benefit terms	-
Differences between expected and actual experience	(1,579,749)
Changes of assumptions or other inputs	477,940
Benefit payments	359,930
Net changes	(1,151,283)
Balance at December 31, 2025	$ (8,404,690)

The following presents the sensitivity of the Town's total OPEB liability to changes in the discount rate, including what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (3.42%)	Discount Rate (4.42%)	1.0% Increase (5.42%)
Total OPEB liability	$ (9,385,548)	$ (8,404,690)	$ (7,579,384)

The following presents the sensitivity of the Town's total OPEB liability to changes in the healthcare cost trend rates, including what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% higher or lower than the current rates:

	1.0% Decrease (5.1% to 2.7%)	Healthcare Cost Trend Rate (6.1% to 3.7%)	1.0% Increase (7.1% to 4.7%)
Total OPEB liability	$ (7,510,056)	$ (8,404,690)	$ (9,475,682)

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

For the year ended December 31, 2025, the Town recognized OPEB expense of $260,415. The Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,466,961	$ (296,399)
Changes of assumptions or other inputs	443,520	(1,542,797)
Contributions subsequent to the measurement date	89,983	-
	$ 2,000,464	$ (1,839,196)

Contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31,	
2026	$ (148,989)
2027	(148,989)
2028	(148,989)
2029	186,387
2030	240,169
Thereafter	91,696
	$ 71,285

9. Risk Management

The Town purchases commercial insurance for various risks of loss due to torts, thefts, damage, errors, omissions, injuries to employees, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

10. Commitments and Contingencies

Construction Commitments

The Board has authorized construction projects with open contracts totaling $4,236,000.

Required Supplementary Information (Unaudited)
Schedule of the Town's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension position	0.0070183%	0.0075240%	0.0072258%	0.0079881%	0.0077304%	0.0081956%	0.0082494%	0.0084053%	0.0080475%	0.0079347%
Town's proportionate share of the net pension asset (liability)	$ (1,203,346)	$ (1,107,830)	$ (1,549,496)	$ 652,995	$ (7,697)	$ (2,170,254)	$ (584,495)	$ (271,276)	$ (756,158)	$ (1,273,546)
Town's covered payroll	$ 2,563,913	$ 2,718,751	$ 2,450,161	$ 2,318,587	$ 2,336,634	$ 2,352,084	$ 2,233,791	$ 2,202,099	$ 2,060,724	$ 1,935,965
Town's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(46.93%)	(40.75%)	(63.24%)	28.16%	(0.33%)	(92.27%)	(26.17%)	(12.32%)	(36.69%)	(65.78%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

The following is a summary of changes of assumptions:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Inflation	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

Required Supplementary Information (Unaudited)
Schedule of Town Contributions
New York State and Local Employees' Retirement System

For the years ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 431,880	$ 371,404	$ 338,108	$ 260,562	$ 343,898	$ 313,154	$ 305,737	$ 296,716	$ 295,917	$ 287,963
Contribution in relation to the contractually required contribution	(431,880)	(371,404)	(338,108)	(260,562)	(343,898)	(313,154)	(305,737)	(296,716)	(295,917)	(287,963)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 2,758,891	$ 2,563,913	$ 2,718,751	$ 2,450,161	$ 2,318,587	$ 2,336,634	$ 2,352,084	$ 2,233,791	$ 2,202,099	$ 2,060,724
Contributions as a percentage of covered payroll	15.65%	14.49%	12.44%	10.63%	14.83%	13.40%	13.00%	13.28%	13.44%	13.97%

Required Supplementary Information (Unaudited)
Schedule of the Town's Proportion and Proportionate Share of the Collective Total LOSAP Pension Liability

December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Town's proportion	100%	100%	100%	100%	100%	100%	100%	100%	100%
Town's proportionate share:									
Collective Total LOSAP pension liability - beginning	$ (6,300,219)	$ (6,640,370)	$ (6,050,654)	$ (8,771,881)	$ (8,742,054)	$ (7,645,521)	$ (6,158,704)	$ (6,678,636)	$ (6,089,875)
Changes for the year:									
Service cost	(76,556)	(76,608)	(58,022)	(176,166)	(222,245)	(174,779)	(129,741)	(156,905)	(138,329)
Interest	(256,186)	(244,809)	(239,404)	(158,788)	(172,270)	(206,905)	(224,161)	(217,959)	(228,641)
Changes of assumptions or other inputs	180,906	286,861	(493,095)	2,658,682	80,057	(1,058,218)	(969,244)	383,855	(458,107)
Differences between expected and actual experience	76,612	94,267	(77,615)	129,539	35,151	60,657	(407,487)	269,710	58,721
Benefit payments	300,260	280,440	278,420	267,960	249,480	282,712	243,816	241,231	177,595
Net change in collective total LOSAP pension liability	225,036	340,151	(589,716)	2,721,227	(29,827)	(1,096,533)	(1,486,817)	519,932	(588,761)
Collective Total LOSAP pension liability - ending	$ (6,075,183)	$ (6,300,219)	$ (6,640,370)	$ (6,050,654)	$ (8,771,881)	$ (8,742,054)	$ (7,645,521)	$ (6,158,704)	$ (6,678,636)

The departments have no covered-employee payroll.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

The following is a summary of changes of assumptions:

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Inflation	2.60%	2.80%	3.30%	6.30%	3.00%	1.50%	2.25%	2.25%	2.00%
Investment rate of return	4.41%	4.16%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Discount rate	4.41%	4.16%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Society of Actuaries' mortality scale	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000

Data prior to 2017 is unavailable.

Required Supplementary Information (Unaudited)
Schedule of Changes in the Town's
Total OPEB Liability and Related Ratios

December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ (7,253,407)	$ (6,428,862)	$ (6,470,743)	$ (9,449,854)	$ (8,927,592)	$ (10,484,605)	$ (9,581,123)	$ (11,520,982)	$ (11,308,229)
Changes for the year:									
Service cost	(136,636)	(64,847)	(65,411)	(147,183)	(111,005)	(137,648)	(122,063)	(164,823)	(169,534)
Interest	(272,768)	(285,944)	(274,091)	(203,358)	(208,497)	(280,589)	(356,959)	(393,916)	(343,538)
Changes of benefit terms	-	-	(88,489)	-	(57,938)	(2,481)	(457,964)	64,392	-
Differences between expected and actual experience	(1,579,749)	(211,016)	(944)	666,895	(289,830)	1,976,196	1,221,184	1,448,790	(713,732)
Changes of assumptions or other inputs	477,940	(593,866)	164,014	2,351,489	(242,264)	(417,489)	(1,570,800)	554,347	618,166
Benefit payments	359,930	331,128	306,802	311,268	387,272	419,024	383,120	431,069	395,885
Net change in total OPEB liability	(1,151,283)	(824,545)	41,881	2,979,111	(522,262)	1,557,013	(903,482)	1,939,859	(212,753)
Total OPEB liability - ending	$ (8,404,690)	$ (7,253,407)	$ (6,428,862)	$ (6,470,743)	$ (9,449,854)	$ (8,927,592)	$ (10,484,605)	$ (9,581,123)	$ (11,520,982)
Covered-employee payroll	$ 2,726,429	$ 2,531,835	$ 2,448,110	$ 2,312,553	$ 2,233,703	$ 2,063,031	$ 1,551,357	$ 1,500,926	$ 1,500,926
Total OPEB liability as a percentage of covered-employee payroll	308.3%	286.5%	262.6%	279.8%	423.1%	432.7%	675.8%	638.3%	767.6%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Annual differences between expected and actual experience are due to changes in healthcare trend rates and increases in healthcare premiums. Changes of assumptions or other inputs include changes in the discount rate and updated mortality rates for 2020.

The following is a summary of changes of assumptions:

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Healthcare cost trend rates	6.10% - 3.70%	5.30% - 3.71%	5.10% - 3.86%	5.50% - 4.00%	6.10% - 4.37%	4.08% - 4.00%	5.20% - 4.18%	6.20% - 4.23%	5.30% - 4.17%
Inflation	2.30%	2.30%	2.42%	2.53%	2.44%	2.11%	2.22%	2.37%	2.37%
Salary increases	3.30%	3.30%	3.42%	3.53%	3.44%	3.11%	3.22%	3.36%	3.00%
Discount rate	4.42%	3.88%	4.64%	4.40%	2.19%	2.41%	2.75%	3.83%	3.50%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2017	MP-2017	MP-2017

Data prior to 2017 is unavailable.

Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2025

	Refuse	Special Districts	Debt Service	Total Nonmajor Governmental Funds
Assets				
Cash	$ 898,605	$ 1,135,607	$ 2,118	$ 2,036,330
Due from other funds, net	-	32,868	-	32,868
Due from other governments	956	-	-	956
Total assets	$ 899,561	$ 1,168,475	$ 2,118	$ 2,070,154
Liabilities				
Accounts payable	$ 100,924	$ 4,150	$ -	$ 105,074
Fund Balances				
Restricted:				
Debt service	-	-	2,118	2,118
Refuse	798,637	-	-	798,637
Special districts	-	1,164,325	-	1,164,325
Total fund balances	798,637	1,164,325	2,118	1,965,080
Total liabilities and fund balances	$ 899,561	$ 1,168,475	$ 2,118	$ 2,070,154

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

For the year ended December 31, 2025

	Refuse	Special Districts	Debt Service	Total Nonmajor Governmental Funds
Revenues				
Real property taxes	$ 1,329,800	$ 175,726	$ -	$ 1,505,526
Departmental income	16,685	32,868	-	49,553
Use of money and property	7,762	7,327	13	15,102
Miscellaneous local sources	45	-	-	45
Total revenues	1,354,292	215,921	13	1,570,226
Expenditures				
Transportation	-	5,498	-	5,498
Home and community services	1,133,566	109,165	-	1,242,731
Total expenditures	1,133,566	114,663	-	1,248,229
Net change in fund balances	220,726	101,258	13	321,997
Fund balances - beginning	577,911	1,063,067	2,105	1,643,083
Fund balances - ending	$ 798,637	$ 1,164,325	$ 2,118	$ 1,965,080