

FINANCIAL REPORT  
AUDITED  
**TOWN OF CHESTER, NEW YORK**  
For the Year Ended December 31, 2025

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*Audited for:*

Town Board  
**TOWN OF CHESTER, NEW YORK**

*Audited By:*

RBT CPAs, LLP  
11 Racquet Road  
Newburgh, NY 12550  
(845) 567-9000

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# TOWN OF CHESTER, NEW YORK

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

The Town Board  
Town of Chester  
1786 Kings Highway  
Chester, New York 10918

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chester, 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 referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Chester, New York, as of December 31, 2025, and the changes in the financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("*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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility**

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.

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 the Management's Discussion and Analysis, budgetary comparison information, and schedules of changes in the total OPEB liability and related ratios, OPEB contributions and assumptions, proportionate share of the net pension liability and related ratios, and employer contributions on pages 4 through 9 and 40 through 49 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.

### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Chester's basic financial statements. The combining statements and schedule of indebtedness 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 statements and schedule of indebtedness 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 April 28, 2026 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 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.

*RBT CPAs, LLP*

Newburgh, NY

April 28, 2026

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The accompanying management's discussion and analysis of the Town of Chester's (the "Town") financial performance has been prepared to provide an overview of the Town's financial activities for the year ended December 31, 2025. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements.

Requests For Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Supervisor's office at the Town of Chester, 1786 Kings Highway, Chester, NY 10918.

**Financial Highlights**

- The Town of Chester's net position (defined as assets plus deferred outflows less liabilities and deferred inflows) was (\$11,442,623) at December 31, 2025.
- The government's total net position increased by \$797,792 during 2025.
- At December 31, 2025, the Town's proportionate shares of the net pension liability for the PFRS retirement system were included in total liabilities in the amount of \$2,579,150.
- At December 31, 2025 the Town's proportionate shares of the net pension liability for the ERS retirement system were included in total liabilities in the amount of \$1,466,066.
- At December 31, 2025, the OPEB liability was included in total liabilities in the amount of \$20,083,650.
- As of the close of the current fiscal year, the Town of Chester's governmental funds reported combined ending fund balances of \$6,016,707, an increase of \$2,474,136 in comparison with the prior year's fund balance.
- At the end of the year, unassigned fund balance for the General Fund was \$630,816.

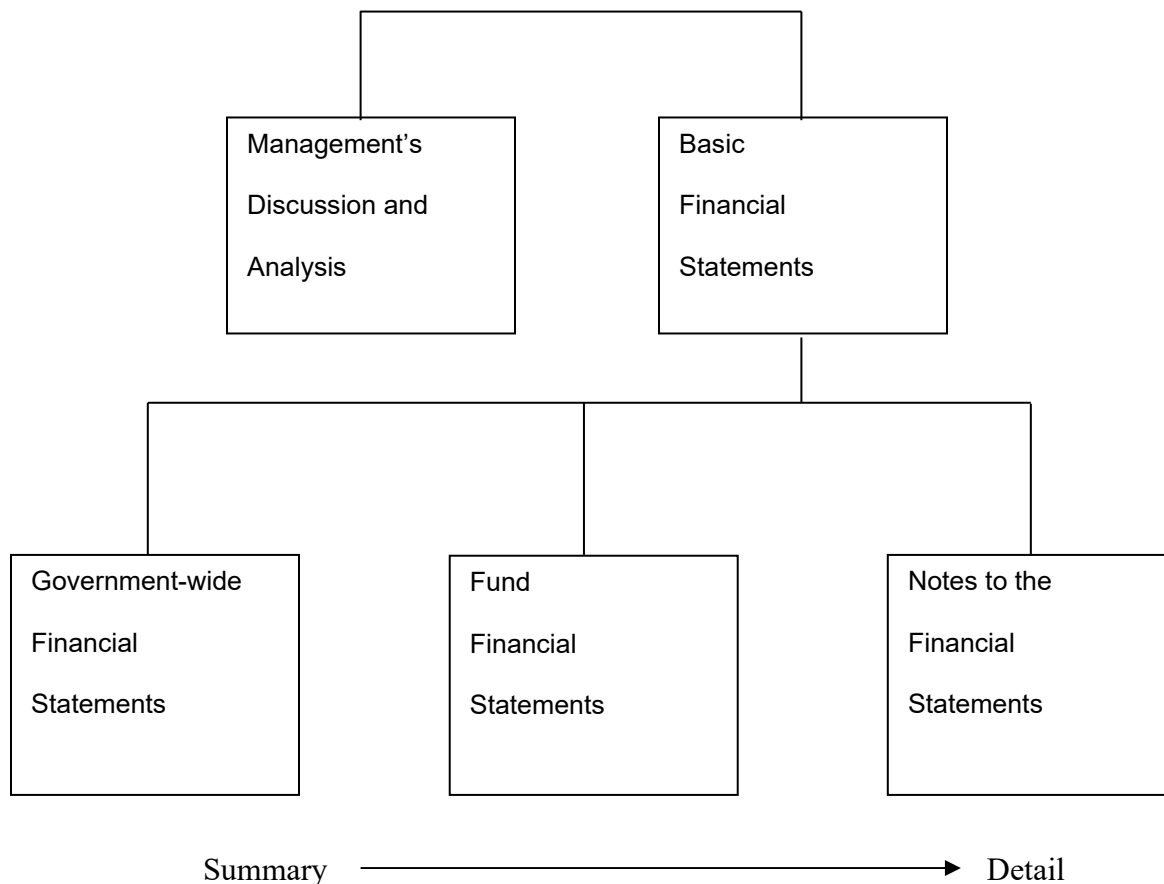
**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Chester's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Chester, New York.

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Required Components of the Town's Basic Financial Statements

**Figure 1**



**Basic Financial Statements**

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental and fiduciary fund statements and 2) the budgetary comparison schedules. The budgetary comparison schedules are presented as required supplementary information.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The governmental activities include most of the Town's basic services such as public safety, water and sewer, refuse and drainage, road maintenance and administration. Property taxes, sales tax, charges for services and state aid finance most of these activities.

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Chester, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the New York State General Municipal Law and local finance law or the Town's adopted budget. All of the funds of the Town of Chester are classified in two categories: governmental funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

**Fiduciary Funds** – The Town acts in a custodial capacity for assets that are ultimately transferred to others, such as bail deposits. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

The Town of Chester adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town of Chester, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary comparisons (presented in the Required Supplementary Information section) demonstrate how well the Town complied with the adopted budget and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedules use the budgetary basis of accounting and are presented using the same format, language and classifications as the legal budget document. The schedules show four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual revenues, expenditures and changes in fund balance; and 4) the variance between the final budget and actual revenues and expenditures.

**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.

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**TOWN OF CHESTER'S NET POSITION**

	<u>2025</u>	Restated <u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 8,129,822	\$ 7,198,953	\$ 930,869	12.93%
Long-Term Assets	943,934	940,884	3,050	100.00%
Capital Assets	<u>12,334,461</u>	12,738,657	(404,196)	-3.17%
Total Assets	<u>21,408,217</u>	20,878,494	529,723	2.54%
Deferred Outflows of Resources	<u>3,207,020</u>	3,421,490	(214,470)	-6.27%
Current Liabilities	<u>3,341,591</u>	4,778,625	(1,437,034)	-30.07%
Long-Term Liabilities	<u>29,498,884</u>	27,022,380	2,476,504	9.16%
Total Liabilities	<u>32,840,475</u>	31,801,005	1,039,470	3.27%
Deferred Inflows of Resources	<u>3,217,385</u>	4,739,394	(1,522,009)	-32.11%
Net Position:				
Net Investment in Capital Assets	7,774,461	7,682,376	92,085	1.20%
Restricted	406,660	650,326	(243,666)	-37.47%
Unrestricted	<u>(19,623,744)</u>	(20,573,117)	949,373	4.61%
Total Net Position	<u>\$ (11,442,623)</u>	\$ (12,240,415)	\$ 797,792	6.52%

**Explanation of Significant Variances:**

Total assets increased by approximately \$530,000, due to increases in prepaid expense related to prepaid retirement expenses. The Town's total liabilities increased by approximately \$1,000,000 primarily due to increases in other postemployment benefits.

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**TOWN OF CHESTER'S CHANGES IN NET POSITION**

	2025	%	Restated 2024	%	\$ Change	% Change
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 1,589,134	8.42%	\$ 1,297,438	8.13%	\$ 291,696	22.48%
Operating and Capital Grants	516,956	2.74%	633,402	3.97%	(116,446)	-18.38%
<b>General Revenues:</b>						
Real Property Taxes	13,076,007	69.33%	10,953,481	68.60%	2,122,526	19.38%
Real Property Tax Items	101,862	0.54%	119,763	0.76%	(17,901)	-14.95%
Non Property Taxes	115,492	0.61%	101,198	0.63%	14,294	14.12%
Tax Revenue Sharing	2,402,608	12.74%	2,277,459	14.26%	125,149	5.50%
Intergovernmental Charges	81,840	0.43%	88,795	0.56%	(6,955)	-7.83%
Use of Money and Property	315,506	1.67%	249,658	1.56%	65,848	26.38%
Sale of Property and Compensation for Loss	457,664	2.43%	36,867	0.23%	420,797	1141.39%
Transfers	10,793	0.06%	-	0.00%	10,793	100.00%
Miscellaneous	194,739	1.03%	208,319	1.30%	(13,580)	-6.52%
<b>Total Revenues</b>	<b>18,862,601</b>	<b>100.00%</b>	<b>15,966,380</b>	<b>100.00%</b>	<b>2,896,221</b>	<b>18.14%</b>
<b>Expenses:</b>						
General Government	3,268,614	18.09%	3,102,430	19.76%	166,184	5.36%
Public Safety	6,236,620	34.53%	5,316,332	33.87%	920,288	17.31%
Public Health	835,536	4.63%	982	0.01%	834,554	84985.13%
Transportation	3,035,188	16.80%	2,696,420	17.18%	338,768	12.56%
Economic Assistance and Opportunity	30,870	0.17%	82,238	0.52%	(51,368)	-62.46%
Culture and Recreation	1,092,340	6.05%	1,114,867	7.10%	(22,527)	-2.02%
Home and Community Services	3,462,063	19.16%	3,203,220	20.41%	258,843	8.08%
Interest on Debt	103,578	0.57%	180,988	1.15%	(77,410)	-42.77%
<b>Total Expenses</b>	<b>18,064,809</b>	<b>100.00%</b>	<b>15,697,477</b>	<b>100.00%</b>	<b>2,367,332</b>	<b>15.08%</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 797,792</b>		<b>\$ 268,903</b>			

**Management's Explanation of Changes**

Total revenue increased by \$2,896,221, 18.14% from 2024, with the largest fluctuations being real property taxes and sale of property and compensation for loss due to the Town's new ambulance fund and the sale of the Sugar Loaf Performing Arts Center. Total expenses increased by \$2,367,332, 15.08% from 2024, with the largest fluctuations being in public safety and public health mostly due to increases in employee benefit expenses related to PFRS retirement debt and contractual expenses for the Town's new ambulance fund.

**TOWN OF CHESTER, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis of the Town of Chester's Funds**

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

**Governmental Funds:** The focus of the Town of Chester's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Town of Chester's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund – Town Wide is the chief operating fund of the Town of Chester. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$630,816. As a measure of the General Fund – Town-Wide's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.13 percent of total General Fund expenditures.

At December 31, 2025, the governmental funds of the Town of Chester reported a combined fund balance of \$6,016,707, an 69.84 percent increase from last year's fund balance.

**General Fund Budgetary Highlights:** During the fiscal year, the Town revised the General Fund – Town-Wide budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Capital Asset and Debt Administration**

**Capital Assets:** The Town's investment in capital assets for its governmental activities as of December 31, 2025 totaled \$12,334,461 (net of accumulated depreciation). These assets include land, buildings, improvements and infrastructure, and machinery and equipment.

**Debt:** As of December 31, 2025, the Town of Chester had total debt outstanding of \$4,918,519. The debt is backed by the full faith and credit of the Town. The Town's total debt decreased by \$137,762 during the 2025 fiscal year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

**TOWN OF CHESTER, NEW YORK  
STATEMENT OF NET POSITION  
DECEMBER 31, 2025**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 6,003,979
Restricted Cash and Cash Equivalents	406,660
Lease Receivable - Current (Note X)	26,921
Accounts Receivable	183,623
Rents Receivable	181,418
Due from Other Governments	738,269
Prepaid Expenses	588,952
Total Current Assets	<u>8,129,822</u>
Lease Receivable - Long-Term (Note X)	943,934
Total Long-Term Assets	<u>943,934</u>
Capital Assets, Not Being Depreciated	6,040,666
Capital Assets, Being Depreciated - Net	6,293,795
Total Capital Assets, Net (Note V)	<u>12,334,461</u>
Total Assets	<u>21,408,217</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions (Note VI)	3,207,020
Total Deferred Outflows of Resources	<u>3,207,020</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>24,615,237</u>
<b>LIABILITIES</b>	
Accounts Payable	731,050
Due to Other Governments	31,820
Accrued Liabilities	277,750
Other Liabilities	1,147,794
Noncurrent Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note IX)	365,000
Other Postemployment Benefits (Note VII)	788,177
Due and Payable More Than One Year:	
Bonds Payable (Note IX)	4,195,000
Retirement Debt (Note IX)	358,519
Compensated Absences (Note IX)	1,604,676
ERS Net Pension Liability-Proportionate Share (Note VI)	1,466,066
PFRS Net Pension Liability-Proportionate Share (Note VI)	2,579,150
Other Postemployment Benefits (Note VII)	19,295,473
Total Liabilities	<u>32,840,475</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions (Note VI)	157,078
OPEB (Note VII)	2,166,672
Leases (Note X)	893,635
Total Deferred Inflows of Resources	<u>3,217,385</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>36,057,860</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,774,461
Restricted	406,660
Unrestricted	(19,623,744)
Total Net Position	<u>\$ (11,442,623)</u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b><u>FUNCTIONS/PROGRAMS</u></b>					
Primary Government:					
Governmental Activities:					
General Government	\$ (3,268,614)	\$ 154,069	\$ -	\$ -	\$ (3,114,545)
Public Safety	(6,236,620)	407,329	471,990	-	(5,357,301)
Public Health	(835,536)	-	-	-	(835,536)
Transportation	(3,035,188)	150	-	-	(3,035,038)
Economic Assistance and Opportunity	(30,870)	-	-	-	(30,870)
Culture and Recreation	(1,092,340)	397,958	-	-	(694,382)
Home and Community Services	(3,462,063)	629,628	44,966	-	(2,787,469)
Interest on Debt	(103,578)	-	-	-	(103,578)
<b>Total Primary Government</b>	<b>\$ (18,064,809)</b>	<b>\$ 1,589,134</b>	<b>\$ 516,956</b>	<b>\$ -</b>	<b>(15,958,719)</b>
General Revenues:					
Real Property Taxes					13,076,007
Real Property Tax Items					101,862
Non Property Taxes					115,492
Tax Revenue Sharing					2,402,608
Intergovernmental Charges					81,840
Use of Money and Property					315,506
Sale of Property and Compensation for Loss					457,664
Transfers					10,793
Miscellaneous					194,739
<b>Total General Revenues</b>					<b>16,756,511</b>
<b>Change in Net Position</b>					<b>797,792</b>
Net Position - Beginning					(12,546,625)
Prior Period Adjustments (Note XIII)					306,210
Net Position - Beginning, as Restated					(12,240,415)
Net Position - Ending					<b>\$ (11,442,623)</b>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2025**

	General Fund - Town Wide	General Fund - Town Outside Village	Highway Funds	Water Fund	Sewer Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 2,761,940	\$ 449,634	\$ 1,613,092	\$ 392,726	\$ 335,553	\$ 1,622	\$ 449,412	\$ 6,003,979
Restricted Cash and Cash Equivalents	16,610	25,638	12,789	97,731	199,387	-	54,505	406,660
Lease Receivable	970,855	-	-	-	-	-	-	970,855
Accounts Receivable	104,599	79,024	-	-	-	-	-	183,623
Rents Receivable	-	-	-	181,418	-	-	-	181,418
Due from Other Funds (Note IV)	638	-	2,916	-	-	-	-	3,554
Due from Other Governments	164,311	473,791	-	100,167	-	-	-	738,269
Prepaid Expenses	165,068	292,360	105,192	26,332	-	-	-	588,952
<b>Total Assets</b>	<b>\$ 4,184,021</b>	<b>\$ 1,320,447</b>	<b>\$ 1,733,989</b>	<b>\$ 798,374</b>	<b>\$ 534,940</b>	<b>\$ 1,622</b>	<b>\$ 503,917</b>	<b>\$ 9,077,310</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 428,577	\$ 46,239	\$ 140,163	\$ 13,515	\$ -	\$ -	\$ 102,556	\$ 731,050
Accrued Liabilities	62,405	133,753	42,025	14,567	-	-	-	252,750
Due to Other Funds (Note IV)	1,214	151	638	1,551	-	-	-	3,554
Due to Other Governments	31,820	-	-	-	-	-	-	31,820
Other Liabilities	612,251	363,993	171,550	-	-	-	-	1,147,794
<b>Total Liabilities</b>	<b>1,136,267</b>	<b>544,136</b>	<b>354,376</b>	<b>29,633</b>	<b>-</b>	<b>-</b>	<b>102,556</b>	<b>2,166,968</b>
Deferred Inflows of Resources:								
Lease	893,635	-	-	-	-	-	-	893,635
Deferred Revenue	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>893,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>893,635</b>
Fund Balances:								
Nonspendable	165,068	292,360	105,192	26,332	-	-	-	588,952
Restricted	16,610	25,638	12,789	97,731	199,387	-	54,505	406,660
Assigned Fund Balances:								
Assigned for Subsequent Year's Budget	1,341,625	-	600,000	125,000	33,000	-	18,000	2,117,625
Assigned for Fund Purposes	-	458,313	661,632	519,678	302,553	1,622	328,856	2,272,654
Unassigned	630,816	-	-	-	-	-	-	630,816
<b>Total Fund Balances</b>	<b>2,154,119</b>	<b>776,311</b>	<b>1,379,613</b>	<b>768,741</b>	<b>534,940</b>	<b>1,622</b>	<b>401,361</b>	<b>6,016,707</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,184,021</b>	<b>\$ 1,320,447</b>	<b>\$ 1,733,989</b>	<b>\$ 798,374</b>	<b>\$ 534,940</b>	<b>\$ 1,622</b>	<b>\$ 503,917</b>	<b>\$ 9,077,310</b>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and Cash Equivalents	\$ 6,003,979	\$ -	\$ -	\$ 6,003,979
Restricted Cash and Cash Equivalents	406,660	-	-	406,660
Lease Receivable	970,855	-	-	970,855
Accounts Receivable	183,623	-	-	183,623
Rents Receivable	181,418	-	-	181,418
Due from Other Funds	3,554	-	(3,554)	-
Due from Other Governments	738,269	-	-	738,269
Prepaid Expenses	588,952	-	-	588,952
Capital Assets, Net	-	12,334,461	-	12,334,461
Deferred Outflows of Resources - Pension	-	3,207,020	-	3,207,020
Total Assets and Deferred Outflows of Resources	<u>\$ 9,077,310</u>	<u>\$ 15,541,481</u>	<u>\$ (3,554)</u>	<u>\$ 24,615,237</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>				
Accounts Payable	\$ 731,050	\$ -	\$ -	\$ 731,050
Accrued Liabilities	252,750	25,000	-	277,750
Due to Other Funds	3,554	-	(3,554)	-
Due to Other Governments	31,820	-	-	31,820
Other Liabilities	1,147,794	-	-	1,147,794
Bonds Payable	-	4,560,000	-	4,560,000
Retirement Debt	-	358,519	-	358,519
Compensated Absences	-	1,604,676	-	1,604,676
ERS Net Pension Liability - Proportionate Share	-	1,466,066	-	1,466,066
PFRS Net Pension Liability - Proportionate Share	-	2,579,150	-	2,579,150
Other Postemployment Benefits	-	20,083,650	-	20,083,650
Deferred Inflows of Resources - Pension	-	157,078	-	157,078
Deferred Inflows of Resources - OPEB	-	2,166,672	-	2,166,672
Deferred Lease	893,635	-	-	893,635
Total Liabilities and Deferred Inflows of Resources	<u>3,060,603</u>	<u>33,000,811</u>	<u>(3,554)</u>	<u>36,057,860</u>
Total Fund Balances/Net Position	<u>6,016,707</u>	<u>(17,459,330)</u>	<u>-</u>	<u>(11,442,623)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	<u>\$ 9,077,310</u>	<u>\$ 15,541,481</u>	<u>\$ (3,554)</u>	<u>\$ 24,615,237</u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	General Fund - Town Wide	General Fund - Town Outside Village	Highway Funds	Water Fund	Sewer Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Real Property Taxes	\$ 3,808,265	\$ 3,116,153	\$ 2,354,060	\$ 340,940	\$ 1,292,222	\$ -	\$ 2,164,367	\$ 13,076,007
Real Property Tax Items	136,102	-	-	-	-	-	-	136,102
Non Property and Allocated Tax Items	136,049	1,514,080	461,431	-	-	-	-	2,111,560
Departmental Income	400,314	193,935	-	678,982	33,995	-	6,659	1,313,885
Intergovernmental Charges	-	28,178	59,118	-	-	-	-	87,296
Use of Money and Property	131,234	61,832	65,292	12,793	10,932	33	33,390	315,506
Licenses and Permits	7,606	3,200	150	-	-	-	-	10,956
Fines and Forfeitures	217,509	6,550	-	-	-	-	-	224,059
Sale of Property and Compensation for Loss	1,361,609	24,087	10,212	980	-	-	-	1,396,888
Miscellaneous	64,379	127,340	-	-	-	-	130	191,849
State and Federal Aid	623,944	93,532	342,069	-	-	-	-	1,059,545
<b>Total Revenues</b>	<b>6,887,011</b>	<b>5,168,887</b>	<b>3,292,332</b>	<b>1,033,695</b>	<b>1,337,149</b>	<b>33</b>	<b>2,204,546</b>	<b>19,923,653</b>
<b>Expenditures:</b>								
General Government	2,530,653	107,176	1,308	-	-	-	561	2,639,698
Public Safety	50,650	3,392,360	-	-	-	-	-	3,443,010
Public Health	-	2,178	-	-	-	-	833,358	835,536
Transportation	279,534	9,563	1,684,441	-	-	-	-	1,973,538
Economic Assistance and Opportunity	30,870	-	-	-	-	-	-	30,870
Culture and Recreation	726,354	-	-	-	-	-	-	726,354
Home and Community Services	8,193	89,644	-	761,696	1,020,809	-	1,237,315	3,117,657
Employee Benefits	1,143,842	1,741,869	749,766	186,503	-	-	415	3,822,395
Capital Outlay	495,130	112,650	508,770	22,158	-	-	-	1,138,708
Debt Service	401,330	180,378	113,367	22,469	-	-	-	717,544
<b>Total Expenditures</b>	<b>5,666,556</b>	<b>5,635,818</b>	<b>3,057,652</b>	<b>992,826</b>	<b>1,020,809</b>	<b>-</b>	<b>2,071,649</b>	<b>18,445,310</b>
Excess/(Deficiency) of Revenues Over Expenditures	1,220,455	(466,931)	234,680	40,869	316,340	33	132,897	1,478,343
<b>Other Financing Sources/(Uses):</b>								
BANs Redeemed from Appropriations	-	-	-	-	-	95,000	-	95,000
Operating Transfers In	41,503	10,793	3,346	-	-	-	-	55,642
Operating Transfers Out	(2,361)	-	-	-	-	-	(42,488)	(44,849)
Proceeds from Obligations	-	-	-	-	-	890,000	-	890,000
<b>Total Other Financing Sources/(Uses)</b>	<b>39,142</b>	<b>10,793</b>	<b>3,346</b>	<b>-</b>	<b>-</b>	<b>985,000</b>	<b>(42,488)</b>	<b>995,793</b>
Change in Fund Balances	1,259,597	(456,138)	238,026	40,869	316,340	985,033	90,409	2,474,136
Fund Balances - Beginning	894,522	1,232,449	1,141,587	727,872	218,600	(983,411)	310,952	3,542,571
Fund Balances - Ending	\$ 2,154,119	\$ 776,311	\$ 1,379,613	\$ 768,741	\$ 534,940	\$ 1,622	\$ 401,361	\$ 6,016,707

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
<b>Revenues:</b>						
Real Property Taxes	\$ 13,076,007	\$ -	\$ -	\$ -	\$ -	\$ 13,076,007
Real Property Tax Items	136,102	(34,240)	-	-	-	101,862
Non Property and Allocated Tax Items	2,111,560	-	-	-	-	2,111,560
Departmental Income	1,316,451	(98,381)	-	-	-	1,218,070
Intergovernmental Charges	87,296	-	-	-	-	87,296
Use of Money and Property	315,506	-	-	-	-	315,506
Licenses and Permits	10,956	-	-	-	-	10,956
Fines and Forfeitures	224,059	-	-	-	-	224,059
Sale of Property and Compensation for Loss	1,396,888	-	(939,224)	-	-	457,664
Miscellaneous	189,283	-	-	-	-	189,283
State and Federal Aid	1,059,545	-	-	-	-	1,059,545
<b>Total Revenues</b>	<b>19,923,653</b>	<b>(132,621)</b>	<b>(939,224)</b>	<b>-</b>	<b>-</b>	<b>18,851,808</b>
<b>Expenditures:</b>						
General Government	2,639,698	-	11,427	-	617,489	3,268,614
Public Safety	3,443,010	-	144,277	-	2,649,333	6,236,620
Public Health	835,536	-	-	-	-	835,536
Transportation	1,973,538	-	302,546	-	759,104	3,035,188
Economic Assistance and Opportunity	30,870	-	-	-	-	30,870
Culture and Recreation	726,354	-	77,579	-	288,407	1,092,340
Home and Community Services	3,117,657	-	67,851	-	276,555	3,462,063
Employee Benefits	3,822,395	768,493	-	-	(4,590,888)	-
Capital Outlay	1,138,708	-	(1,138,708)	-	-	-
Debt Service	717,544	(65,204)	-	(548,762)	-	103,578
<b>Total Expenditures</b>	<b>18,445,310</b>	<b>703,289</b>	<b>(535,028)</b>	<b>(548,762)</b>	<b>-</b>	<b>18,064,809</b>
<b>Excess/(Deficiency) of Revenues     Over Expenditures</b>	<b>1,478,343</b>	<b>(835,910)</b>	<b>(404,196)</b>	<b>548,762</b>	<b>-</b>	<b>786,999</b>
<b>Other Financing Sources/(Uses):</b>						
BANs Redeemed from Appropriations	95,000	-	-	-	(95,000)	-
Interfund Transfers In	55,642	-	-	-	(44,849)	10,793
Interfund Transfers Out	(44,849)	-	-	-	44,849	-
Proceeds from Obligations	890,000	-	-	-	(890,000)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>995,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(985,000)</b>	<b>10,793</b>
<b>Change in Fund Balances/Net Position</b>	<b>\$ 2,474,136</b>	<b>\$ (835,910)</b>	<b>\$ (404,196)</b>	<b>\$ 548,762</b>	<b>\$ (985,000)</b>	<b>\$ 797,792</b>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2025**

	Custodial Fund
<b>ASSETS</b>	
Cash	\$ 2,450
Total Assets	<u>2,450</u>
Net Position:	
Held in Trust	<u><u>\$ 2,450</u></u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Custodial Fund
<b>REVENUES/EXPENSES:</b>	
Net Gain on Investments	\$ 951
Interfund transfer	<u>(10,793)</u>
Change in Net Position	(9,842)
Net Position Held in Trust - Beginning	<u>12,292</u>
Net Position Held in Trust - Ending	<u><u>\$ 2,450</u></u>

See accompanying notes to basic financial statements.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Chester (the “Town”), established in 1845, is governed by the Code of the Town of Chester and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and as the chief fiscal officer.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The notes to the financial statements are an integral part of the statements and are intended to be read with them. As of December 31, 2025, the Town had determined that there were no component units required to be included in the reporting entity, the Town of Chester, based on criteria established by the Governmental Accounting Standards Board (“GASB”). GASB is the accepted standard setting board for establishing governmental accounting and financial reporting principles.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund – Town-Wide* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *General Fund – Town Outside Village* is used to record activity related to services provided to residents living outside the village in the Town, such as police protection.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

The *Highway Fund* is used to account for financial resources to be used for upkeep of the roads within the Town's jurisdiction.

The *Water Fund* is used to account for financial resources to be used for operation and upkeep of the water districts within the Town.

The *Sewer Fund* is used to account for financial resources to be used for operation and upkeep of the sewer districts and facility within the Town.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The principal source of financing is from the sale of bonds or bond anticipation notes.

The Town reports the following non-major funds:

- The *Refuse and Garbage Fund* is used to record operation and maintenance transactions related to the Town's refuse district.
- The *Drainage Fund* is used to record operation and maintenance transactions related to drainage districts' purposes.
- The *Parklands Fund* is used to acquire, develop and maintain land for park and outdoor recreational purposes.
- The *Ambulance Fund* is used to record operation and maintenance transactions related to the Town's ambulance district.

Additionally, the Town reports the following fund type:

Fiduciary Funds are used to report assets which are held in a trust or custodial capacity for others and are, therefore, not available to support Town programs.

**D. Pervasiveness of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, post-employment benefits, potential contingent liabilities and useful lives of long-lived assets.

**E. Budgetary Data**

The budget policies are as follows:

1. No later than September 30<sup>th</sup>, the budget officer submits a tentative budget to the Town Clerk's Office for the year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
  - a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20<sup>th</sup>.
  - b. All modifications of the budget must be approved by the Town Board.
2. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**F. Property Taxes**

Town real property taxes are levied annually on January 1<sup>st</sup> and become a lien on that date. Taxes are collected during the period January 1<sup>st</sup> to January 31<sup>st</sup> at face value and from February 1<sup>st</sup> to May 31<sup>st</sup> with interest added. The Town Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town Supervisor prior to distributing the remaining balance collected to the County on June 1<sup>st</sup>. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County.

**G. Cash, Cash Equivalents and Investments**

The Town of Chester's investment policies are governed by State statutes. In addition, the Town of Chester has its own written investment policy. The Town's monies may be deposited into time deposits and certificates of deposit in a bank located and authorized to do business in New York State.

Cash equivalents include investing in short-term, highly liquid pooled investments designed specifically for the public sector.

Collateral is required for demand 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.

**H. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

**I. Due To/From Other Funds**

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

**J. Inventories and Prepaid Items**

Purchases of inventorable items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

**K. Leases**

**1. Lessor**

The Town is a lessor under a noncancelable lease of land occupied by a cell tower. For short-term leases, the Town recognizes rental income based on the provisions of the lease agreement in the Statement of Activities. For all other leases, the Town recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position and the Balance Sheet – Governmental Funds.

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, reduced by any provision for uncollectible amounts, if applicable.

Any initial direct costs required to be paid by the Town are expensed in the period incurred. Subsequently, payments received are allocated first to any accrued interest receivable and then to the lease receivable.

The deferred inflow of leased revenue is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, if applicable. Subsequently, the deferred inflow of resources is recognized on a straight-line basis as revenue over the life of the lease term.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**K. Leases - Continued**

Town has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the Town is reasonably certain not to exercise the termination option.

The following key estimates and judgments are used by the Town to determine the following:

- Discount rate: The Town uses either the explicit rate stated in the lease agreement or its incremental borrowing rate to discount the expected lease receipts to present value. Since the Town's bonds are not actively traded, the Town determines its incremental borrowing rate by using other observable inputs.

- Lease term: The lease term includes the noncancelable lease period of the lease, plus 1) periods for which the Town has an unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an option termination date if the Town is reasonable certain not to exercise the termination option.

- Lease receipts: Measurement of the lease receivable includes fixed payments, and as applicable, variable fixed in substance payments, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The Town monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflows of resources for leasing transactions.

**2. Lessee**

Non-Capitalized Lease Arrangements:

The Town leases a piece of office equipment, police radios, and office space under lessee arrangements. The Town has elected not to capitalize immaterial leases. The total minimum rental commitment at December 31, 2025, under the leases mentioned above, is due during the following fiscal years:

For the year ended December 31,		
	2026	\$ 2,170
	2027	542
		<u>\$ 2,712</u>

**L. Capital Assets**

Capital assets are reported at historical costs. The Town depreciates capital assets using the straight-line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the Government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Improvements	\$ 5,000	15 - 40 years
Improvements	5,000	5 - 25 years
Machinery and Equipment	5,000	3 - 25 years

**M. Infrastructure**

The Town includes long-lived improvements to roads, water and sewer systems (“infrastructure”) as capital assets in the Government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

Under the implementation standards of GASB 34, the Town is considered a small government and, as such, was required only to recognize infrastructure on a prospective basis. Therefore, the Town did not retroactively reported any major general infrastructure assets acquired prior to January 1, 2004.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	Capitalization Threshold	Estimated Useful Life
Roads and Infrastructure	\$ 5,000	20 - 100 years

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**N. Vested Employee Benefits**

Employees accrue (earn) vacation leave based on the number of years employed as stated in the employment contracts. Upon separation from service, employees are paid for unused vacation time.

Employees accrue (earn) sick leave at the rate of one day per month and may accumulate such credits up to a total of 165 days or an unlimited amount depending on the employee's classification. Upon separation or retirement from service, employees are paid 20% or 50%, respectively, of their accumulated sick time.

A liability for accrued (earned) vacation time is reflected in the Government-wide statements under the heading "Compensated Absences."

The Town's employees participate in the New York State Employees' Retirement System and New York State Police and Fire Retirement System. See Note VI.

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

**O. Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period, and as such will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below assets on the Statement of Net Position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and as such will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below liabilities on the Statement of Net Position.

The Town reports the following items as deferred outflows of resources or deferred inflows of resources at the governmentwide level: deferred inflows and outflows from pensions and OPEB as a result of contributions made after the measurement date, differences between expected and actual actuarial experience, differences between projected and actual investment earnings, and other changes in actuarial assumptions. In addition, the Town reports deferred inflows from leases based on expected future lease payments.

**P. Unemployment Insurance**

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the Town's account. The Town is exempt from federal unemployment insurance tax.

**Q. Deferred Compensation**

The Town, through the New York State Retirement Systems, offers their employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible employees, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to or administer the Plan.

**R. Risk Retention**

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

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**S. Equity Classification**

1. Government-wide Statements

Net Position is displayed in three components:

- Net Investment in Capital Assets

Consists of capital assets, including restricted capital assets, net of accumulated depreciation and 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.

- Restricted Net Position

Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Position

All remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

2. Fund Financial Statements

The following is a brief description of the five fund balances classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds:

- Nonspendable:

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable because, by definition, the money has already been spent.

- Restricted:

Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves, the Town of Chester has classified the following reserve funds as restricted fund balances:

- a. The General Fund – Town-Wide includes reserve funds established for playground equipment, parks department equipment, performing arts center improvements, and a generator. The balance at the end of 2025 was \$16,610.
- b. The General Fund – Town-Outside Village includes reserve funds established for police building repairs, police vehicles and police cameras. The balance at the end of 2025 was \$25,638.
- c. The Highway Fund – Town-Wide includes reserve funds established for future equipment and repairs. The balance at the end of 2025 was \$12,789.
- d. The Water Fund includes reserve funds established for capital improvements. The balance at the end of 2025 was \$97,731.
- e. The Sewer Fund includes reserve funds established for capital improvements. The balance at the end of 2025 was \$199,387.
- f. The Parklands Fund reserves balance at the end of 2025 was \$54,505.

- Committed:

Amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**S. Equity Classification – Continued**

- Assigned:

Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Included in the Assigned fund balances are amounts appropriated for the 2026 budget, representing \$1,341,625 from the General Fund – Town Wide, \$410,000 from the Highway Fund – Town-Wide Fund, \$190,000 from the Highway Fund – Town Outside-Village, \$125,000 from the Water Fund, \$33,000 from the Sewer Fund, \$6,000 from the Refuse and Garbage Fund and \$12,000 from the Drainage Fund.

- Unassigned:

Represents the residual amount of fund balance in the General Fund – Town-Wide. In funds other than the General Fund – Town-Wide, this should only be used to report a deficit balance.

**3. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town of Chester's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available the Town of Chester's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

**T. Interfund Transfers**

The operations of the Town give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A description of the individual fund transfers that occurred during the year is provided in Note IV.

**U. Subsequent Events**

The date to which events occurring after December 31, 2025, the date of the most recent balance sheet, have been evaluated for possible adjustments to the financial statements or disclosure is April 28, 2026, which is the date on which the financial statements were available to be issued.

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:**

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities – Continued:**

- (1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 26,799,661
Accumulated Depreciation	(14,465,200)
Capital Assets, Net	<u>\$ 12,334,461</u>

- (2) Interest payable is recognized in the government-wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at December 31, 2025	<u>\$ 25,000</u>
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- (3) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, these liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds Payable	\$ 4,560,000
Retirement Debt	358,519
Compensated Absences Payable	1,604,676
ERS Pension Liability - Proportionate Share	1,466,066
PFRS Pension Liability-Proportionate Share	2,579,150
Other Postemployment Benefits	20,083,650
	<u>\$ 30,652,061</u>

- (4) Deferred Outflows and Inflows related to Pension and Other Post-Employment Benefits are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Deferred Outflows of Resources-Pension	<u>\$ 3,207,020</u>
Deferred Inflows of Resources-Pension	<u>\$ (157,078)</u>
Deferred Inflows of Resources-OPEB	<u>\$ (2,166,672)</u>

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities:**

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories.

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.
- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities – Continued:**

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	\$ 19,923,653
Deferred Revenue Recognition Difference between Statements	(132,621)
Loss on Disposal of Capital Assets	(939,224)
Total revenues reported in the Statement of Activities	<u>\$ 18,851,808</u>

Total Expenditures/Expenses

Total expenditures reported in governmental funds	\$ 18,445,310
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.

101,551

In the Statement of Activities, the expenses for other postemployment benefits are measured based on the changes in the actuarially determined OPEB liability and related deferred inflows of resources of the Town. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the changes in the OPEB liability and related deferred inflows and outflows of resources was more than the amount of financial resources used during the year.

412,942

In the Statement of Activities, pension expense related to ERS and PFRS defined benefit plans is measured as the change in the Town's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was less than the amount of financial resources expended during the year.

(157,000)

In the Statement of Activities, employee benefit expenses were recognized for debt due to the New York State and Local Retirement System for the reopening of a retirement plan for a Town employee.

411,000

Interest payable is recognized in the entity wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year was less than the interest payable for the prior year.

(65,204)

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$603,680 was less than capital expenditures of \$1,138,708 in the current year.

(535,028)

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities – Continued:**

Repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities. This is the amount of principal payments.

(548,762)

Total expenditures reported in the Statement of Activities

\$ 18,064,809

**III. CASH AND CASH EQUIVALENTS**

At December 31, 2025, the carrying amount of the Town’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$6,412,589 and the bank balance was \$6,633,758. The Town’s deposits at December 31, 2025, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town’s agent bank in the Town’s name. Petty cash is included in Cash and Cash Equivalents and totaled \$500 at year end.

**IV. INTERFUND ACTIVITY**

Interfund receivables and payables at December 31, 2025 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 638	\$ 1,214
Town Outside Village	-	151
Highway Town-Outside Village	2,916	638
Water	-	1,551
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 3,554</u>	<u>\$ 3,554</u>

Interfund transfers for the year ended December 31, 2025 were as follows:

<u>Funds</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Town-Wide	\$ 41,503	\$ 2,361
General Town-Town Outside	10,793	-
Highway	3,346	-
Parklands	-	41,503
Drainage	-	985
Custodial	-	10,793
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 55,642</u>	<u>\$ 55,642</u>

Interfund transfers were made for the following purposes:

- Use of ARPA Funding
- Use of Parkland Funds
- Transfer of Bail

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**V. CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2025 were as follows:

	Beginning Balance	Prior Period Adjustments*	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 5,663,477	\$ -	\$ -	\$ -	\$ 5,663,477
Construction in Progress	-	-	377,189	-	377,189
Total capital assets, not being depreciated	<u>5,663,477</u>	<u>-</u>	<u>377,189</u>	<u>-</u>	<u>6,040,666</u>
Capital assets, being depreciated:					
Buildings	8,327,533	50,635	7,000	(1,055,000)	7,330,168
Improvements and Infrastructure	6,840,026	-	64,365	-	6,904,391
Machinery and Equipment	6,026,996	(50,635)	690,154	(142,079)	6,524,436
Total capital assets being depreciated	<u>21,194,555</u>	<u>-</u>	<u>761,519</u>	<u>(1,197,079)</u>	<u>20,758,995</u>
Accumulated depreciation for:					
Buildings	(3,424,329)	80,828	(163,796)	116,050	(3,391,247)
Improvements and Infrastructure	(6,629,707)	3,946	(11,746)	-	(6,637,507)
Machinery and Equipment	(4,371,549)	221,436	(428,138)	141,805	(4,436,446)
Total accumulated depreciation	<u>(14,425,585)</u>	<u>306,210</u>	<u>(603,680)</u>	<u>257,855</u>	<u>(14,465,200)</u>
Total capital assets being depreciated, net	<u>6,768,970</u>	<u>306,210</u>	<u>157,839</u>	<u>(939,224)</u>	<u>6,293,795</u>
Governmental activities capital assets, net	<u>\$ 12,432,447</u>	<u>\$ 306,210</u>	<u>\$ 535,028</u>	<u>\$ (939,224)</u>	<u>\$ 12,334,461</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities:	
General Government	\$ 11,427
Public Safety	144,277
Transportation	302,546
Culture and Recreation	77,579
Home and Community Services	67,851
Total Depreciation Expense	<u>\$ 603,680</u>

\*See Note XIII

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS**

Plan Description

The Town of Chester participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"), collectively referred to as the "Systems". These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

Funding Policy

The Systems are noncontributory except for Tier III, IV, V and VI employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An Eligible Tier III or IV member with ten or more years of membership, or ten years credited service, is not required to contribute to the Retirement System. Tier V and VI members must continue to contribute throughout their employment.

The Town of Chester, which includes the Chester Public Library, is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

Plan Year Ended March 31	ERS	PFRS
2025	\$ 447,160	\$ 691,685
2024	\$ 367,339	\$ 567,687
2023	\$ 319,582	\$ 534,035

Town contributions made to the Systems were equal to 100% of the contributions required for each year.

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

At December 31, 2025, the Town reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2025 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the Systems in reports provided to the Town.

	ERS	PFRS
Actuarial Valuation Date	4/1/2024	4/1/2024
Net Pension Liability	\$ 1,466,066	\$ 2,579,150
Town's Portion of the Plan's Total Net Pension Liability	0.00855060%	0.04244210%

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

For the year ended December 31, 2025, the Town recognized pension expense of \$376,703 for ERS and \$674,540 for PFRS. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 363,888	\$ 859,081	\$ 1,222,969
Changes of assumptions	61,484	387,289	448,773
Net difference between projected and actual earnings on pension plan investments	115,023	99,134	214,157
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	224,687	191,139	415,826
Town's contributions subsequent to the measurement date	319,318	585,977	905,295
Total	<u>\$ 1,084,400</u>	<u>\$ 2,122,620</u>	<u>\$ 3,207,020</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 17,165	\$ -	\$ 17,165
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	79,289	60,624	139,913
Total	<u>\$ 96,454</u>	<u>\$ 60,624</u>	<u>\$ 157,078</u>

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>PFRS</u>
2026	\$ 303,122	\$ 713,826
2027	417,987	445,260
2028	(88,781)	45,711
2029	36,300	182,448
	-	88,774
	<u>\$ 668,628</u>	<u>\$ 1,476,019</u>

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2025	March 31, 2025
Investment Rate of Return	5.90% compounded annually net of investment expense	5.90% compounded annually net of investment expense
Projected Salary Increases	4.30%	6.00%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.90%	2.90%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

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 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 of the target asset allocation percentages and by adding expected inflation.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS and PFRS	
	March 31, 2025	
	Target allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	25%	3.54%
International Equity	14%	6.57%
Private Equity	15%	7.25%
Real Estate	12%	4.95%
Opportunistic/ARS Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
Total	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 5.9% for PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the 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.

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 ERS and PFRS net pension liability calculated using the discount rates referred to above, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate referred to above:

	1% Decrease	Current Assumption	1% Increase
ERS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (4,242,981)	\$ (1,466,066)	\$ 852,659
PFRS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (5,438,246)	\$ (2,579,150)	\$ 219,377

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2025, were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS March 31, 2025	PFRS March 31, 2025
Employers' total pension liability	\$ (247,600,239)	\$ (48,718,477)
Plan net position	230,454,512	42,641,620
Employers' net pension liability	<u>\$ (17,145,727)</u>	<u>\$ (6,076,857)</u>
Ratio of plan net position to the employers' total pension liability	93.08%	87.53%

Payments to the Pension Plans

For ERS, employer contributions for the plan year ended March 31, 2025 were paid to the System in January 2026. Accrued retirement contributions as of December 31, 2025 amounted to \$319,318.

For PFRS, employer contributions for the plan year ended March 31, 2025 were paid to the System in January 2026. Accrued retirement contributions as of December 31, 2025 amounted to \$585,977.

**VII. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town's OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the provisions of the Town's agreements with its employees. The following eligibility rules currently apply to the Town's employees:

Group	Years of Service	Age
Non-Union	10	55
Teamsters-Highway	10	55
Teamsters-White Collar	10	55
Police Tier 1	20	55
Police Tier 5 and 6	20	62

Medical and prescription drug benefits are offered to retirees on a Town-subsidized basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town's plan providing an additional layer of coverage. The Town reimburses Medicare Part B premiums for retirees and spouses.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

Contribution rates for new retirees are as follows:

Group	Age	Years of Service	Individual and Family	Reimburse Part B Premium		
			Employer Share	Individual	Spouse	Surviving Spouse
Non-Union	55	10	100%	Y	Y	N
Teamsters-Highway	55	10	100%			
Teamsters-White Collar	55	10	100%	Y	Y	N
Police Tier 1	55	20	100%			
Police Tier 5 and 6	62	20	100%	Y	Y	N

The Town’s contribution is equivalent to that portion of health insurance premiums paid that are allocated to retirees, estimated to be \$788,177 during the year ended December 31, 2025.

Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by benefit terms:

Active employees	39
Retired	26
Total employees covered by benefit terms	65

Total OPEB Liability

The Town obtained an actuarial valuation report as of January 1, 2024. The liability for other postemployment benefits was measured as of December 31, 2025 and totaled \$20,083,650.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the December 31, 2025 measurement date was determined used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation Rate	3.25%
Projected Salary Increases, Including Wage Inflation	3.50%
Discount Rate	4.83%
Healthcare Cost Trend Rates	9.00% decreasing to 4.75%
Mortality Rates	Scale MP-2021
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

- The discount rate was based on an index based on the 20-year AA tax exempt general obligation municipal bond index rate as of December 31, 2025.
- Mortality Rates were based on the PUB-2010 mortality table with MP-2021 projection.

Changes in the Total OPEB Liability during the year ended December 31, 2025:

Service Cost	\$ 597,024
Interest	943,504
Changes in Assumptions	(19,705)
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	-
Benefit Payments	<u>(788,177)</u>
Net Change in Total OPEB Liability	732,646
Total OPEB Liability - Beginning	<u>19,351,004</u>
Total OPEB Liability - Ending	20,083,650
Current Portion	788,177
Long-Term Portion	<u><u>\$ 19,295,473</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

Sensitivity of the total OPEB Liability to Changes in the Discount Rate:

	1% Decrease	Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Total OPEB Liability	\$ 22,520,675	\$ 20,083,650	\$ 18,009,621

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	1.34% decreasing to (1.02%)	2.34% decreasing to .02%	3.34% decreasing to 1.02%
Total OPEB Liability	\$ 17,384,089	\$ 20,083,650	\$ 23,408,793

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

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

For the year ended December 31, 2025, the Town recognized OPEB expense of \$412,942. At December 31, 2025, the Town reported the following deferred inflows/outflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (562,586)
Changes of assumptions or other inputs	-	(1,604,086)
Total	<u>\$ -</u>	<u>\$ (2,166,672)</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. Other amounts recognized in the deferred inflows/outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending December 31,	Amount
2026	\$ (339,409)
2027	(339,409)
2028	(339,409)
2029	(339,409)
2030	(339,409)
Thereafter	(469,627)
	<u>\$ (2,166,672)</u>

**VIII. SHORT TERM DEBT**

State law requires that Bond Anticipation Notes (“BANs”) issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of the Town of Chester’s outstanding bond anticipation notes for the year ended December 31, 2025:

Description	Original Borrowing	Outstanding Beginning of Fiscal Year	Converted During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year
Highway Garage BAN	\$ 650,000	\$ 525,000	\$ (480,000)	\$ 45,000	\$ -
Equipment BAN	610,000	460,000	(410,000)	50,000	-
	<u>\$ 1,260,000</u>	<u>\$ 985,000</u>	<u>\$ (890,000)</u>	<u>\$ 95,000</u>	<u>\$ -</u>

Interest expense on short-term debt paid during the year was:

Interest Paid	\$ 39,400
Less: Interest accrued - prior year	(6,567)
Plus: Interest accrued - current year	-
Interest expense	<u>\$ 32,833</u>

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**IX. LONG-TERM DEBT**

The Town of Chester borrows money in order to acquire land or equipment or construct buildings and for capital improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2025, the total principal indebtedness outstanding of the Town of Chester long-term debt aggregated to \$4,560,000.

Interest expense on long-term debt paid during the year was:

Interest Paid	\$ 129,382
Less: Interest accrued - prior year	(83,637)
Plus: Interest accrued - current year	<u>25,000</u>
Interest expense	<u>\$ 70,745</u>

Long-term liability balances and activity for the year are summarized below:

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Bonds Payable	\$ 4,030,000	\$ 890,000	\$ 360,000	\$ 4,560,000	\$ 365,000
Installment Purchase Debt	41,281	-	41,281	-	-
Retirement Debt	-	411,000	52,481	358,519	-
	<u>4,071,281</u>	<u>1,301,000</u>	<u>453,762</u>	<u>4,918,519</u>	<u>365,000</u>
Other Liabilities:					
Compensated Absences	1,503,125	101,551	-	1,604,676	-
Net Pension Liability	3,249,251	795,965	-	4,045,216	-
Other Postemployment Benefits	19,351,004	732,646	-	20,083,650	788,177
Total long-term liabilities	<u>\$ 28,174,661</u>	<u>\$ 2,931,162</u>	<u>\$ 453,762</u>	<u>\$ 30,652,061</u>	<u>\$ 1,153,177</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

The following is a summary of the maturity of long-term indebtedness:

	Principal	Interest	Total
2026	\$ 365,000	\$ 149,174	\$ 514,174
2027	401,328	159,308	560,636
2028	408,177	144,984	553,161
2029	420,134	130,415	550,549
2030	427,207	115,490	542,697
2031-2035	2,181,673	575,323	2,756,996
2036-2038	<u>715,000</u>	<u>38,062</u>	<u>753,062</u>
Total	<u>\$ 4,918,519</u>	<u>\$ 1,312,756</u>	<u>\$ 6,231,275</u>

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**X. LEASES**

The Town is a lessor for a noncancelable lease of land for a cell tower. The lease has a termination option that the lessee may unilaterally exercise by giving various periods of notice to the Town. Principal and interest received from leases totaled \$49,119, in fiscal year 2025.

At December 31, 2025, the Town reported a lease receivable of \$970,855 and deferred inflows of resources for leases of \$893,635.

The total minimum lease commitment at December 31, 2025, under the lease mentioned above, is receivable during the following fiscal years:

For the year ended December 31,	
2025	\$ 26,921
2026	27,459
2027	28,008
2028	28,568
2029	29,140
2030 - 2034	154,678
2035 - 2039	170,777
Thereafter	<u>1,579,814</u>
Total	2,045,365
Less: Present Value Discount	<u>(1,074,510)</u>
Leases Receivable	<u><u>\$ 970,855</u></u>

**XI. CONTINGENCIES**

Grant Funding

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

Judgments and Claims

The Town is a party to various legal proceedings which normally occur in governmental operations. In the opinion of the Town's management, any potential claims against the Town not covered by various insurance policies will not have a materially adverse effect on the Town's financial position and, accordingly, no provision for losses has been recorded as of December 31, 2025.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable.

**TOWN OF CHESTER, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**XII. PROPERTY TAX ABATEMENTS**

The Town has 4 real property tax abatement agreements entered into by the Town of Chester under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (“PILOT”) in compliance with RPTL 4102-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the Town of Chester & the Orange County Industrial Development Agency (“IDA”) grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to the PILOT agreements in effect for the year ended December 31, 2025:

AGREEMENT	START	TOTAL ASSESSMENT	TAX RATE	TAX VALUE	PILOT RECEIVED	TAXES ABATED
X, LLC	2020	\$ 398,940	13.80760	\$ 5,508	\$ 4,233	\$ 1,275
Isomedix	2017	\$ 3,574,222	19.42240	\$ 69,420	\$ 50,236	\$ 19,184
Aiethamattathil Realty	2018	\$ 1,854,243	13.80760	\$ 25,603	\$ 18,750	\$ 6,853
215 Black Meadow Road Solar	2018	N/A	N/A	N/A	\$ 22,751	N/A
				\$ 100,531	\$ 95,970	\$ 27,312

**XIII. PRIOR PERIOD ADJUSTMENTS**

Net position at January 1, 2025 was restated to record adjustments for overstated accumulated depreciation. Net position at January 1, 2025 was understated by \$306,210.

**XIV. NEW ACCOUNTING PRINCIPLES**

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires governmental entities to assess and disclose concentrations and constraints that make the entity vulnerable 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. The Town implemented this standard for fiscal year 2025 as required.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement makes targeted improvements to the governmental financial reporting model in order to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Areas impacted by the changes include the MD&A, budgetary comparison information, and major component unit information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires leases, intangible right-to-use assets, and subscription-based information technology arrangements to be disclosed separately in the capital assets note disclosures. Additionally, this statement mandates the separate disclosure of all other intangible assets by major class, excluding the aforementioned types. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued and requires the reporting entity to disclose the date through which subsequent events have been evaluated. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Town implemented this standard for fiscal 2025, The implementation did not have a significant impact on the Town’s financial statements.

Management has not estimated the potential impact of GASB 103 through 105, if any, on the Town’s financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

<u>Total OPEB Liability</u>	12/31/25	12/31/24	12/31/23
Service Cost	\$ 597,024	\$ 592,474	\$ 748,479
Interest	943,504	773,291	690,758
Differences Between Expected and Actual Experience	-	(738,946)	-
Changes in Assumptions or Other Inputs	(19,705)	(2,084,338)	-
Benefit Payments	(788,177)	(751,000)	(640,285)
Net Change in Total OPEB Liability	732,646	(2,208,519)	798,952
Total OPEB liability - beginning	19,351,004	21,559,523	20,760,571
Total OPEB liability - ending ("a")	<u>\$ 20,083,650</u>	<u>\$ 19,351,004</u>	<u>\$ 21,559,523</u>
<u>Plan Fiduciary net position</u>			
Contributions - Employer	\$ 788,177	\$ 751,000	\$ 640,285
Net Investment Income	-	-	-
Benefit Payments	(788,177)	(751,000)	(640,285)
Administrative Expense	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary net position - beginning	-	-	-
Plan Fiduciary net position - ending ("b")	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 20,083,650</u>	<u>\$ 19,351,004</u>	<u>\$ 21,559,523</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered Payroll	\$ 4,031,456	\$ 3,895,126	\$ 4,211,238
Total OPEB Liability as a percentage of covered payroll	498.17%	496.80%	511.95%

Notes to Schedule:

Changes of Benefit Terms: None

Changes in Assumptions:

Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following is the discount rate used:

12/31/23	3.26%
12/31/24	4.08%
12/31/25	4.83%

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

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2023 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

**TOWN OF CHESTER, NEW YORK  
SCHEDULE OF OPEB CONTRIBUTIONS AND ASSUMPTIONS**

	2025	2024	2023
Actuarially determined contribution (SC + 30 year amort NOL)	\$ 1,859,125	\$ 1,710,715	\$ 1,867,974
Contributions in relating to the actuarially determined contribution	(788,177)	(751,000)	(640,285)
Contribution (Excess)/Deficiency	<u>\$ 1,070,948</u>	<u>\$ 959,715</u>	<u>\$ 1,227,689</u>
Covered Payroll	\$ 4,031,456	\$ 3,895,126	\$ 4,211,238
Contributions as a percentage of covered payroll	46.12%	43.92%	44.36%

Notes to Schedule:

Valuation date:	1/1/2024	1/1/2024	1/1/2023
Census data:	1/1/2024	1/1/2024	1/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	N/A	N/A	N/A
Amortization period	N/A	N/A	N/A
Inflation	4.75%	3.10%	3.10%
Healthcare cost trend rates	9.00% decreasing to 4.75%	8.00% decreasing to 4.54%	7.48% decreasing to 6.02%
Salary increases	3.50%	3.50%	3.50%
Retirement age	rates from age 55	rates from age 55	rates from age 55
Mortality	PUB 2010 w/ MP2021 proj	PUB 2010 w/ MP2021 proj	PUB 2010 w/ MP2021 proj
Participation at Retirement	50%	50%	95%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2023 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

**TOWN OF CHESTER, NEW YORK**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Employees' Retirement System</b>					
3/31/2025	0.00855060%	\$ (1,466,066)	\$ 2,809,036	-52.19%	93.08%
3/31/2024	0.00798900%	\$ (1,176,305)	\$ 2,838,611	-41.44%	93.88%
3/31/2023	0.00800560%	\$ (1,716,729)	\$ 2,751,369	-62.40%	90.78%
3/31/2022	0.00829780%	\$ 678,308	\$ 2,586,399	26.23%	103.65%
3/31/2021	0.00824600%	\$ (738,970)	\$ 2,487,797	-29.70%	99.95%
3/31/2020	0.00886200%	\$ (2,293,743)	\$ 2,845,805	-80.60%	96.27%
3/31/2019	0.00864145%	\$ (612,511)	\$ 2,787,056	-21.98%	96.27%
3/31/2018	0.00085520%	\$ (276,012)	\$ 2,462,544	-11.21%	98.20%
3/31/2017	0.00894290%	\$ (792,076)	\$ 2,454,906	-32.27%	94.70%
3/31/2016	0.00836710%	\$ (1,342,943)	\$ 2,317,379	-57.95%	90.70%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Police and Fire Retirement System</b>					
3/31/2025	0.04244210%	\$ (2,579,150)	\$ 2,344,646	-110.00%	87.53%
3/31/2024	0.04370700%	\$ (2,072,946)	\$ 2,218,597	-93.43%	89.72%
3/31/2023	0.04445140%	\$ (2,449,481)	\$ 2,065,139	-118.61%	87.43%
3/31/2022	0.04631060%	\$ (263,065)	\$ 2,020,838	-13.02%	98.66%
3/31/2021	0.04278750%	\$ (8,443)	\$ 1,710,013	-0.49%	95.79%
3/31/2020	0.04076590%	\$ (2,179,105)	\$ 1,657,526	-131.47%	95.09%
3/31/2019	0.04328720%	\$ (725,954)	\$ 1,674,313	-43.36%	95.09%
3/31/2018	0.04536200%	\$ (458,500)	\$ 1,548,509	-29.61%	96.90%
3/31/2017	0.04627840%	\$ (959,191)	\$ 1,550,827	-61.85%	93.50%
3/31/2016	0.04330340%	\$ (1,282,121)	\$ 1,452,089	-88.29%	90.70%

**TOWN OF CHESTER, NEW YORK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
<b>Employees' Retirement System</b>					
12/31/2025	\$ 447,160	\$ 447,160	\$ -	3,039,868	14.71%
12/31/2024	\$ 367,339	\$ 367,339	\$ -	2,772,066	13.25%
12/31/2023	\$ 319,582	\$ 319,582	\$ -	2,853,045	11.20%
12/31/2022	\$ 441,415	\$ 441,415	\$ -	2,758,484	16.00%
12/31/2021	\$ 382,831	\$ 382,831	\$ -	2,487,797	15.39%
12/31/2020	\$ 387,240	\$ 387,240	\$ -	2,845,805	13.61%
12/31/2019	\$ 361,117	\$ 361,117	\$ -	2,787,056	12.96%
12/31/2018	\$ 363,859	\$ 363,859	\$ -	2,462,544	14.78%
12/31/2017	\$ 471,559	\$ 471,559	\$ -	2,454,906	19.21%
12/31/2016	\$ 346,522	\$ 346,522	\$ -	2,317,379	14.95%
<b>Police and Fire Retirement System</b>					
Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
12/31/2025	\$ 691,685	\$ 691,685	\$ -	2,598,723	26.62%
12/31/2024	\$ 567,687	\$ 567,687	\$ -	2,304,966	24.63%
12/31/2023	\$ 534,035	\$ 534,035	\$ -	2,210,259	24.16%
12/31/2022	\$ 513,756	\$ 513,756	\$ -	2,036,301	25.23%
12/31/2021	\$ 392,168	\$ 392,168	\$ -	1,710,013	22.93%
12/31/2020	\$ 368,925	\$ 368,925	\$ -	1,657,526	22.26%
12/31/2019	\$ 358,132	\$ 358,132	\$ -	1,674,313	21.39%
12/31/2018	\$ 352,087	\$ 352,087	\$ -	1,548,509	22.74%
12/31/2017	\$ 538,108	\$ 538,108	\$ -	1,550,827	34.70%
12/31/2016	\$ 322,558	\$ 322,558	\$ -	1,452,089	22.21%

**TOWN OF CHESTER NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**GENERAL FUND - TOWN WIDE**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 3,808,265	\$ 3,808,265	\$ 3,808,265	\$ -
Real Property Tax Items	113,304	113,304	136,102	22,798
Non Property Tax Items	-	-	136,049	136,049
Departmental Income	469,250	495,250	400,314	(94,936)
Use of Money and Property	75,700	75,700	131,234	55,534
Licenses and Permits	8,500	8,500	7,606	(894)
Fines and Forfeitures	215,000	215,000	217,509	2,509
Sale of Property and Compensation for Loss	5,000	5,000	1,361,609	1,356,609
Miscellaneous	28,500	43,218	64,379	21,161
State and Federal Aid	665,000	738,114	623,944	(114,170)
<b>Total Revenues</b>	<b>5,388,519</b>	<b>5,502,351</b>	<b>6,887,011</b>	<b>1,384,660</b>
<b>Expenditures:</b>				
General Government	2,446,322	2,619,344	2,530,653	88,691
Public Safety	48,603	56,417	50,650	5,767
Transportation	292,448	296,834	279,534	17,300
Economic Assistance and Opportunity	32,000	32,870	30,870	2,000
Culture and Recreation	849,545	869,579	726,354	143,225
Home and Community Services	9,500	9,500	8,193	1,307
Employee Benefits	1,238,140	1,288,140	1,143,842	144,298
Capital Outlay	29,800	248,736	495,130	(246,394)
Debt Service	436,161	401,331	401,330	1
<b>Total Expenditures</b>	<b>5,382,519</b>	<b>5,822,751</b>	<b>5,666,556</b>	<b>156,195</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>6,000</b>	<b>(320,400)</b>	<b>1,220,455</b>	<b>1,540,855</b>
<b>Other Financing Sources/(Uses):</b>				
Net Operating Transfers In/(Out)	(6,000)	(41,503)	39,142	80,645
<b>Total Other Financing Sources/(Uses)</b>	<b>(6,000)</b>	<b>(41,503)</b>	<b>39,142</b>	<b>80,645</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(361,903)</b>	<b>1,259,597</b>	<b>1,621,500</b>
Appropriated Fund Balance	-	361,903		(361,903)
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,259,597</b>	<b>\$ 1,259,597</b>

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**GENERAL FUND - TOWN OUTSIDE VILLAGE**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 3,116,153	\$ 3,116,153	\$ 3,116,153	\$ -
Non Property Tax Items	1,470,500	1,470,500	1,514,080	43,580
Departmental Income	278,000	278,000	193,935	(84,065)
Intergovernmental Charges	18,000	18,000	28,178	10,178
Use of Money and Property	40,000	40,000	61,832	21,832
Licenses and Permits	1,000	1,000	3,200	2,200
Fines and Forfeitures	6,000	6,000	6,550	550
Sale of Property and Compensation for Loss	6,000	6,000	24,087	18,087
Miscellaneous	125,800	125,800	127,340	1,540
State and Federal Aid	8,500	98,500	93,532	(4,968)
<b>Total Revenues</b>	<b>5,069,953</b>	<b>5,159,953</b>	<b>5,168,887</b>	<b>8,934</b>
<b>Expenditures:</b>				
General Government	92,910	140,390	107,176	33,214
Public Safety	3,156,030	3,424,908	3,392,360	32,548
Public Health	2,000	2,178	2,178	-
Transportation	7,500	9,564	9,563	1
Home and Community Services	140,390	142,292	89,644	52,648
Employee Benefits	1,791,250	1,862,662	1,741,869	120,793
Capital Outlay	57,975	165,388	112,650	52,738
Debt Service	127,898	127,898	180,378	(52,480)
<b>Total Expenditures</b>	<b>5,375,953</b>	<b>5,875,280</b>	<b>5,635,818</b>	<b>239,462</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(306,000)</b>	<b>(715,327)</b>	<b>(466,931)</b>	<b>248,396</b>
<b>Other Financing Sources/(Uses):</b>				
Net Operating Transfers In/(Out)	6,000	6,000	10,793	4,793
<b>Total Other Financing Sources/(Uses)</b>	<b>6,000</b>	<b>6,000</b>	<b>10,793</b>	<b>4,793</b>
<b>Net Change in Fund Balance</b>	<b>(300,000)</b>	<b>(709,327)</b>	<b>(456,138)</b>	<b>253,189</b>
Appropriated Fund Balance	300,000	709,327	456,138	(253,189)
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**HIGHWAY FUND - TOWN-WIDE**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Real Property Taxes	\$ 1,225,613	\$ 1,225,613	\$ 1,225,613	\$ -
Intergovernmental Charges	59,000	59,000	59,118	118
Use of Money and Property	18,000	18,000	35,952	17,952
Sale of Property and Compensation for Loss	5,000	5,000	9,780	4,780
State and Federal Aid	340,000	340,000	342,069	2,069
<b>Total Revenues</b>	<b>1,647,613</b>	<b>1,647,613</b>	<b>1,672,532</b>	<b>24,919</b>
<b>Expenditures:</b>				
General Government	3,000	1,100	1,308	(208)
Transportation	725,477	804,002	622,468	181,534
Employee Benefits	396,000	397,900	383,518	14,382
Capital Outlay	550,820	569,029	508,770	60,259
Debt Service	76,316	76,316	113,367	(37,051)
<b>Total Expenditures</b>	<b>1,751,613</b>	<b>1,848,347</b>	<b>1,629,431</b>	<b>218,916</b>
<b>Net Change in Fund Balance</b>	<b>(104,000)</b>	<b>(200,734)</b>	<b>43,101</b>	<b>243,835</b>
Appropriated Fund Balance	104,000	200,734	-	(200,734)
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,101</b>	<b>\$ 43,101</b>

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**HIGHWAY FUND - TOWN OUTSIDE VILLAGE**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 1,128,447	\$ 1,128,447	\$ 1,128,447	\$ -
Non Property and Allocated Tax Items	525,000	525,000	461,431	(63,569)
Use of Money and Property	10,000	10,000	29,340	19,340
Licenses and Permits	700	700	150	(550)
Sale of Property and Compensation for Loss	-	-	432	432
State and Federal Aid	28,800	28,800	-	(28,800)
<b>Total Revenues</b>	<b>1,692,947</b>	<b>1,692,947</b>	<b>1,619,800</b>	<b>(73,147)</b>
<b>Expenditures:</b>				
General Government	4,500	4,500	-	4,500
Transportation	1,367,947	1,376,974	1,061,973	315,001
Employee Benefits	407,500	407,996	366,248	41,748
<b>Total Expenditures</b>	<b>1,779,947</b>	<b>1,789,470</b>	<b>1,428,221</b>	<b>361,249</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(87,000)</b>	<b>(96,523)</b>	<b>191,579</b>	<b>288,102</b>
<b>Other Financing Sources/(Uses):</b>				
Operating Transfers In	-	-	3,346	(3,346)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>3,346</b>	<b>(3,346)</b>
<b>Net Change in Fund Balance</b>	<b>(87,000)</b>	<b>(96,523)</b>	<b>194,925</b>	<b>291,448</b>
<b>Appropriated Fund Balance</b>	<b>87,000</b>	<b>96,523</b>	<b>-</b>	<b>(96,523)</b>
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 194,925</b>	<b>\$ 194,925</b>

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**WATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Real Property Taxes	\$ 340,940	\$ 340,940	\$ 340,940	\$ -
Departmental Income	679,400	679,400	678,982	(418)
Use of Money and Property	5,525	5,525	12,793	7,268
Sale of Property and Compensation for Loss	-	-	980	980
Miscellaneous	-	-	-	-
State and Federal Aid	-	150,000	-	(150,000)
<b>Total Revenues</b>	<b>1,025,865</b>	<b>1,175,865</b>	<b>1,033,695</b>	<b>(142,170)</b>
<b>Expenditures:</b>				
General Government	1,310	1,317	-	1,317
Home and Community Services	771,383	847,488	761,696	85,792
Employee Benefits	185,350	197,936	186,503	11,433
Capital Outlay	77,852	236,704	22,158	214,546
Debt Service	22,470	22,470	22,469	1
<b>Total Expenditures</b>	<b>1,058,365</b>	<b>1,305,915</b>	<b>992,826</b>	<b>313,089</b>
Excess/(Deficiency) of Revenues Over Expenditures	(32,500)	(130,050)	40,869	170,919
<b>Other Financing Sources/(Uses):</b>				
Other Budgetary Uses	(42,500)	(12,000)	-	12,000
<b>Total Financing Sources/(Uses)</b>	<b>(42,500)</b>	<b>(12,000)</b>	<b>-</b>	<b>12,000</b>
<b>Net Change in Fund Balance</b>	<b>(75,000)</b>	<b>(142,050)</b>	<b>40,869</b>	<b>182,919</b>
Appropriated Fund Balance	75,000	142,050	-	(142,050)
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,869</b>	<b>\$ 40,869</b>

**TOWN OF CHESTER, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Real Property Taxes	\$ 1,292,221	\$ 1,292,221	\$ 1,292,222	\$ 1
Departmental Income	25,000	25,000	33,995	8,995
Use of Money and Property	3,100	3,100	10,932	7,832
Total Revenues	1,320,321	1,320,321	1,337,149	16,828
Expenditures:				
Home and Community Services	1,320,321	1,350,321	1,020,809	329,512
Total Expenditures	1,320,321	1,350,321	1,020,809	329,512
Excess/(Deficiency) of Revenues Over Expenditures	-	(30,000)	316,340	346,340
Net Change in Fund Balance	-	(30,000)	316,340	346,340
Appropriated Fund Balance	-	30,000	-	(30,000)
Total Change in Fund Balance	\$ -	\$ -	\$ 316,340	\$ 316,340



**OTHER  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF CHESTER, NEW YORK  
 COMBINING BALANCE SHEETS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2025**

	Refuse and Garbage Fund	Drainage Fund	Parklands Fund	Ambulance Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 213,003	\$ 151,744	\$ -	\$ 84,665	\$ 449,412
Restricted Cash and Cash Equivalents	-	-	54,505	-	54,505
<b>Total Assets</b>	<b>\$ 213,003</b>	<b>\$ 151,744</b>	<b>\$ 54,505</b>	<b>\$ 84,665</b>	<b>\$ 503,917</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 102,556	\$ -	\$ -	\$ -	\$ 102,556
<b>Total Liabilities</b>	<b>102,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,556</b>
<b>FUND BALANCES</b>					
Restricted	-	-	54,505	-	54,505
Assigned for Subsequent Year's Budget	6,000	12,000	-	-	18,000
Assigned for Fund Purposes	104,447	139,744	-	84,665	328,856
<b>Total Fund Balances</b>	<b>110,447</b>	<b>151,744</b>	<b>54,505</b>	<b>84,665</b>	<b>401,361</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 213,003</b>	<b>\$ 151,744</b>	<b>\$ 54,505</b>	<b>\$ 84,665</b>	<b>\$ 503,917</b>

**TOWN OF CHESTER, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Refuse and Garbage Fund	Drainage Fund	Parklands Fund	Ambulance Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>					
Real Property Taxes	\$ 1,254,365	\$ -	\$ -	\$ 910,002	\$ 2,164,367
Departmental Income	659	-	6,000	-	6,659
Use of Money and Property	20,401	3,149	1,269	8,571	33,390
Miscellaneous	130	-	-	-	130
Total Revenues	<u>1,275,555</u>	<u>3,149</u>	<u>7,269</u>	<u>918,573</u>	<u>2,204,546</u>
<b>Expenditures:</b>					
General Government	11	-	-	550	561
Public Health	-	-	-	833,358	833,358
Home and Community Services	1,237,315	-	-	-	1,237,315
Employee Benefits	415	-	-	-	415
Total Expenditures	<u>1,237,741</u>	<u>-</u>	<u>-</u>	<u>833,908</u>	<u>2,071,649</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>37,814</u>	<u>3,149</u>	<u>7,269</u>	<u>84,665</u>	<u>132,897</u>
<b>Other Financing Sources:</b>					
Operating Transfers Out	-	(985)	(41,503)	-	(42,488)
Change in Fund Balances	37,814	2,164	(34,234)	84,665	90,409
Fund Balances - Beginning	72,633	149,580	88,739	-	310,952
Fund Balances - Ending	<u>\$ 110,447</u>	<u>\$ 151,744</u>	<u>\$ 54,505</u>	<u>\$ 84,665</u>	<u>\$ 401,361</u>

**TOWN OF CHESTER, NEW YORK  
 COMBINING BALANCE SHEETS  
 HIGHWAY FUNDS  
 DECEMBER 31, 2025**

	Highway Fund - Town-Wide	Highway Fund - Town Outside Village	Total Highway Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 846,601	\$ 766,491	\$ 1,613,092
Restricted Cash and Cash Equivalents	12,789	-	12,789
Due from Other Funds	-	2,916	2,916
Prepaid Expenses	52,277	52,915	105,192
<b>Total Assets</b>	<b>\$ 911,667</b>	<b>\$ 822,322</b>	<b>\$ 1,733,989</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 28,623	\$ 111,540	\$ 140,163
Accrued Liabilities	20,453	21,572	42,025
Due to Other Funds	-	638	638
Other Liabilities	-	171,550	171,550
<b>Total Liabilities</b>	<b>49,076</b>	<b>305,300</b>	<b>354,376</b>
Fund Balances:			
Nonspendable	52,277	52,915	105,192
Restricted	12,789	-	12,789
Assigned for Subsequent Year's Budget	410,000	190,000	600,000
Assigned for Fund Purposes	387,525	274,107	661,632
<b>Total Fund Balances</b>	<b>862,591</b>	<b>517,022</b>	<b>1,379,613</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 911,667</b>	<b>\$ 822,322</b>	<b>\$ 1,733,989</b>

**TOWN OF CHESTER, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**HIGHWAY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Highway Fund - Town-Wide	Highway Fund - Town Outside Village	Total Highway Funds
Revenues:			
Real Property Taxes	\$ 1,225,613	\$ 1,128,447	\$ 2,354,060
Non Property and Allocated Tax Items	-	461,431	461,431
Intergovernmental Charges	59,118	-	59,118
Use of Money and Property	35,952	29,340	65,292
Licenses and Permits	-	150	150
Sale of Property and Compensation for Loss	9,780	432	10,212
State and Federal Aid	342,069	-	342,069
Total Revenues	<u>1,672,532</u>	<u>1,619,800</u>	<u>3,292,332</u>
Expenditures:			
General Government	1,308	-	1,308
Transportation	622,468	1,061,973	1,684,441
Employee Benefits	383,518	366,248	749,766
Capital Outlay	508,770	-	508,770
Debt Service	113,367	-	113,367
Total Expenditures	<u>1,629,431</u>	<u>1,428,221</u>	<u>3,057,652</u>
Excess/(Deficiency) of Revenues Over Expenditures	43,101	191,579	234,680
Other Financing Sources/ (Uses):			
Operating Transfers In	-	3,346	3,346
Total Financing Sources/ (Uses)	<u>-</u>	<u>3,346</u>	<u>3,346</u>
Change in Fund Balances	43,101	194,925	238,026
Fund Balances - Beginning	819,490	322,097	1,141,587
Fund Balances - Ending	<u>\$ 862,591</u>	<u>\$ 517,022</u>	<u>\$ 1,379,613</u>

**TOWN OF CHESTER, NEW YORK  
SCHEDULE OF INDEBTEDNESS  
DECEMBER 31, 2025**

	Original Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Converted to New Debt	Paid During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Amount of Interest Accrued at 12/31/2025	Due Within the Next Year
<b><u>BOND ANTICIPATION NOTES</u></b>											
Highway Garage	11/19	10/25	4.00%	\$ 525,000	\$ -	\$ 480,000	\$ 45,000	\$ -	\$ 18,853	\$ -	\$ -
Equipment	11/20	10/25	4.00%	460,000	-	410,000	50,000	-	20,547	-	-
<b>TOTAL BOND ANTICIPATION NOTES</b>				<b>985,000</b>	<b>-</b>	<b>890,000</b>	<b>95,000</b>	<b>-</b>	<b>39,400</b>	<b>-</b>	<b>-</b>
<b><u>SERIAL BONDS</u></b>											
Refunding	2004	2025	2.00%	100,000	-	-	100,000	-	2,750	-	-
Senior Center	2018	2038	3.00%	1,139,590	-	-	66,678	1,072,912	35,294	2,682	68,699
SL PAC & Senior	2019	2034	3.50%	1,110,000	-	-	95,000	1,015,000	37,755	11,842	100,000
Police Building	2018	2038	3.00%	1,429,315	-	-	83,630	1,345,685	44,267	3,364	86,164
Water	2018	2038	3.00%	251,095	-	-	14,692	236,403	7,777	591	15,137
Equipment and Highway Garage	2025	2035	3.75-4.0%	-	890,000	-	-	890,000	-	6,521	95,000
<b>TOTAL SERIAL BONDS</b>				<b>4,030,000</b>	<b>890,000</b>	<b>-</b>	<b>360,000</b>	<b>4,560,000</b>	<b>127,843</b>	<b>25,000</b>	<b>365,000</b>
<b><u>INSTALLMENT PURCHASE CONTRACTS</u></b>											
Caterpillar Wheel Loader 6830	06/17/20	06/17/25	4.00%	19,160	-	-	19,160	-	763	-	-
Tractor and Planer	03/25/22	03/25/25	4.00%	22,121	-	-	22,121	-	776	-	-
<b>TOTAL INSTALLMENT PURCHASE CONTRACTS</b>				<b>41,281</b>	<b>-</b>	<b>-</b>	<b>41,281</b>	<b>-</b>	<b>1,539</b>	<b>-</b>	<b>-</b>
<b><u>RETIREMENT DEBT</u></b>											
PFRS Debt	10/29/25	02/01/35	5.90%	-	411,000	-	52,481	358,519	-	-	-
				<b>-</b>	<b>411,000</b>	<b>-</b>	<b>52,481</b>	<b>358,519</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INDEBTEDNESS</b>				<b>\$ 5,056,281</b>	<b>\$ 1,301,000</b>	<b>\$ 890,000</b>	<b>\$ 548,762</b>	<b>\$ 4,918,519</b>	<b>\$ 168,782</b>	<b>\$ 25,000</b>	<b>\$ 365,000</b>

**OTHER REPORTING  
REQUIRED BY  
GOVERNMENT AUDITING  
STANDARDS**



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR'S 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**

The Town Board  
Town of Chester  
1786 Kings Highway  
Chester, New York 10918

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chester, New York as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Chester's basic financial statements, and have issued our report thereon dated April 28, 2026.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less 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, and therefore, material weaknesses or significant deficiencies may exist which were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether the Town of Chester'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is 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.

*RBT CPAs, LLP*

Newburgh, NY  
April 28, 2026



**TOWN OF CHESTER, NEW YORK  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

A. Internal Control Finding

None noted.

B. Compliance Finding

None noted.

