

TOWN OF EDEN, NEW YORK
*Basic Financial Statements, Required
Supplementary Information and Supplementary
Information for the Year Ended December 31, 2025
and Independent Auditors' Reports*

TOWN OF EDEN, NEW YORK
Table of Contents
Year Ended December 31, 2025

	<u>Page</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet—Governmental Funds	14
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)— Governmental Funds to the Government-wide Statement of Activities.....	17
Statement of Fiduciary Net Position—Custodial Fund.....	18
Statement of Changes in Fiduciary Net Position—Custodial Fund.....	19
Notes to the Financial Statements.....	20
Required Supplementary Information:	
Schedule of the Town's Proportionate Share of the Net Pension Liability—Police and Fire Retirement System.....	40
Schedule of the Town's Contributions—Police and Fire Retirement System.....	41
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) —Employees' Retirement System	42
Schedule of the Town's Contributions—Employees' Retirement System.....	43

(continued)

TOWN OF EDEN, NEW YORK
Table of Contents
Year Ended December 31, 2025

(concluded)

Page

Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund.....	44
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Highway Fund.....	45
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Fire District Fund.....	46
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Water District Fund.....	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Refuse and Garbage District Fund.....	48
Note to the Required Supplementary Information.....	49
Supplementary Information:	
Combining Balance Sheet—Nonmajor Governmental Funds.....	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds.....	51
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Town of Eden, New York:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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 and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, 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. Such 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 Supplementary Information, as listed in the table of contents, is 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 May 13, 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Drescher + Malecki LLP

May 13, 2026

TOWN OF EDEN, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2025

As management of the Town of Eden, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources of the Town exceeded its at the close of the most recent fiscal year by \$869,097 (*net deficit position*). This consists of \$6,062,566 net investment in capital assets, \$2,317,164 restricted for specific purposes and an unrestricted net position of \$(9,248,827).
- The Town's total net position increased by \$1,350,874 during the year ended December 31, 2025.
- At the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,815,423, a decrease of \$174,695 in comparison with the prior year's combined ending fund balance of \$5,990,118.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$577,913, or 16.2 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the Town's discretion and constitutes approximately 26.5 percent of the General Fund's total fund balance of \$2,184,807 at December 31, 2025.
- During the year ended December 31, 2025, the Town's total serial bonds outstanding decreased to \$11,847,000 as a result of the Town's scheduled principal payments of \$491,000.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services and unallocated interest and fiscal charges. The Town does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are considered to be governmental funds.

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

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

The Town maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Fire District Fund, Water District Fund, Refuse and Garbage District Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town maintains one fiduciary fund, the Custodial Fund. The basic fiduciary fund statements can be found on pages 18-19 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-39 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town’s net pension liabilities, and the Town’s budgetary comparison schedules for the General Fund, Highway Fund, Fire District Fund, Water District Fund and Refuse and Garbage District Fund. Required Supplementary Information and a related note to the required supplementary information can be found on pages 40-49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section on pages 50-51 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the Town, liabilities and deferred inflows exceeded assets and deferred outflows by \$869,097, at the close of the most recent fiscal year, as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$2,219,971 at the close of the fiscal year ended December 31, 2024.

Table 1, as presented below, presents a condensed statement of net position as compared to the prior year.

Table 1—Condensed Statement of Net Position—Primary Government

	Governmental Activities	
	December 31,	
	2025	2024
Current assets	\$ 6,141,678	\$ 6,318,570
Noncurrent assets	<u>6,512,057</u>	<u>5,663,675</u>
Total assets	<u>12,653,735</u>	<u>11,982,245</u>
Deferred outflows of resources	<u>1,011,766</u>	<u>1,334,178</u>
Current liabilities	594,202	467,741
Noncurrent liabilities	<u>13,634,571</u>	<u>14,386,655</u>
Total liabilities	<u>14,228,773</u>	<u>14,854,396</u>
Deferred inflows of resources	<u>305,825</u>	<u>681,998</u>
Net position:		
Net investment in capital assets	6,062,566	5,110,516
Restricted	2,317,164	2,307,097
Unrestricted	<u>(9,248,827)</u>	<u>(9,637,584)</u>
Total net position	<u>\$ (869,097)</u>	<u>\$ (2,219,971)</u>

The largest portion of the Town’s net position, \$6,062,566, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation and less any related debt used to acquire those assets. The Town uses these capital assets to provide a variety of services to citizens; consequently, these assets are *not* available for future spending. Although the Town’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town’s net position, \$2,317,164, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The remaining component of the Town’s net position, \$(9,248,827) represents an unrestricted net position. The deficit is the result of having long-term commitments including bonds payable and the net pension liability that are greater than currently available resources. Payments for these liabilities will be budgeted in the year actual payment is made.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2025 and December 31, 2024.

Table 2—Condensed Statements of Changes in Net Position—Primary Government

	<u>Governmental Activities</u>	
	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Program revenues:		
Charges for services	\$ 1,010,861	\$ 743,944
Operating grants and contributions	156,415	432,539
Capital grants and contributions	687,858	672,915
General revenues	<u>6,818,179</u>	<u>6,584,483</u>
Total revenues	<u>8,673,313</u>	<u>8,433,881</u>
Total expenses	<u>7,322,438</u>	<u>7,478,699</u>
Change in net position	1,350,874	955,182
Net position—beginning	<u>(2,219,971)</u>	<u>(3,175,153)</u>
Net position—ending	<u>\$ (869,097)</u>	<u>\$ (2,219,971)</u>

Overall revenues of the primary government increased 2.8 percent from the year ended December 31, 2024, primarily due to an increase in property taxes, sales tax and tax items. Overall expenses decreased 2.1 percent from the year ended December 31, 2024, primarily due to a decrease in allocable employee benefits related to the Town’s retirement systems.

A summary of sources of revenues for the years ended December 31, 2025 and December 31, 2024 is presented in Table 3 below:

Table 3—Summary of Sources of Revenues—Governmental Activities

	<u>Year Ended December 31,</u>		<u>Increase/(Decrease)</u>	
	<u>2025</u>	<u>2024</u>	<u>Dollars</u>	<u>Percent (%)</u>
Charges for services	\$ 1,010,861	\$ 743,944	\$ 266,917	35.9
Operating and capital grants and contributions	156,415	432,539	(276,124)	(63.8)
Capital grants and contributions	687,858	672,915	14,943	2.2
Property tax, sales tax and other tax items	6,484,405	6,191,167	293,238	4.7
Use of money and property	175,321	220,087	(44,766)	(20.3)
Sale of property and compensation for loss	37,241	2,865	34,376	1,199.9
Miscellaneous	<u>121,212</u>	<u>170,364</u>	<u>(49,152)</u>	<u>(28.9)</u>
Total revenues	<u>\$ 8,673,313</u>	<u>\$ 8,433,881</u>	<u>\$ 239,432</u>	2.8

The Town’s most significant source of revenues for the year ended December 31, 2025 was property tax, sales tax and other tax items, which accounted for \$6,484,405, or 74.8 percent of total revenues. The next largest source of revenue was charges for services which accounted for \$1,010,861 or 11.7 percent of total revenues. For the year ended December 31, 2024, the Town’s most significant source of revenues was property tax, sales tax and other tax items, which accounted for \$6,191,167, or 73.4 percent of total revenues. The next largest source of revenue was capital grants and contributions, which accounted for \$672,915, or 8.0 percent of total revenues.

A summary of program expenses for the years ended December 31, 2025 and December 31, 2024 is presented below in Table 4:

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
General government support	\$ 1,198,228	\$ 1,280,117	\$ (81,889)	(6.4)
Public safety	1,537,072	1,738,487	(201,415)	(11.6)
Health	200,194	147,516	52,678	35.7
Transportation	2,371,453	2,351,599	19,854	0.8
Economic assistance and opportunity	28,590	134,652	(106,062)	(78.8)
Culture and recreation	467,360	545,567	(78,207)	(14.3)
Home and community services	996,151	873,863	122,288	14.0
Interest and fiscal charges	523,390	406,898	116,492	28.6
Total expenses	<u>\$ 7,322,438</u>	<u>\$ 7,478,699</u>	<u>\$ (156,261)</u>	(2.1)

The Town’s most significant expense items for the year ended December 31, 2025 were transportation of \$2,371,453, or 32.4 percent of total expenses, public safety of \$1,537,072, or 21.0 percent of total expenses, and general government support of \$1,198,228, or 16.4 percent of total expenses. Similarly, during the year ended December 31, 2024, the Town’s most significant expense items were transportation of \$2,351,599, or 31.4 percent of total expenses, public safety of \$1,738,487, or 23.2 percent of total expenses, and general government support of \$1,280,117, or 17.1 percent of total expenses.

Financial Analysis of Governmental Funds

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

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

At December 31, 2025, the Town’s governmental funds reported a combined ending fund balance of \$5,815,423, a decrease of \$174,695 from the prior year fund balance of \$5,990,118. Excluding the Capital Projects Fund deficit of \$(23,820), total fund balance amounted to \$5,839,243. 9.9 percent of this amount, \$577,913, constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is (1) not in spendable form, \$114,991, (2) restricted for particular purposes, \$2,317,164, or (3) assigned for particular purposes, \$2,829,175.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$577,913, while total fund balance decreased to \$2,184,807. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 16.2 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 61.1 percent of that same amount. The total fund balance of the Town's General Fund decreased by \$155,866 during the current fiscal year as compared to the planned use of fund balance of \$278,849 included within the 2025 budget due to favorable sales tax collections and savings realized within culture and recreation expenditures.

The Town's Highway Fund ending fund balance was \$1,024,627. Approximately 35.7 percent of this amount, \$366,185, is *assigned to specific Highway Fund use*. During the year ended December 31, 2025, the Highway Fund's fund balance decreased \$214,719, as compared to the planned use of fund balance of \$200,000 included within the 2025 budget due to savings realized within transportation expenditures.

The Town's Fire District Fund ending fund balance was \$1,405,692. Approximately 83.8 percent of this amount, \$1,177,826, is *restricted for equipment and capital improvements*. During the year ended December 31, 2025, the Fire District Fund's fund balance increased by \$130,818 due to an increase in state aid.

The Town's Water District Fund ending fund balance was \$896,881. Approximately 81.4 percent of this amount, \$729,676, is *assigned to specific Water Fund use*. During the year ended December 31, 2025, the Water District Fund's fund balance increased \$17,184 due to greater than expected interest earnings.

The Town's Refuse and Garbage District Fund ending fund balance was \$192,039. Approximately 70.1 percent of this amount, \$134,637, is *assigned to specific Refuse and Garbage District Fund use*. During the year ended December 31, 2025, the Refuse and Garbage District Fund's fund balance decreased \$18,519 due to larger than anticipated contractual expenditures.

The Town's Capital Projects Fund ending fund balance was \$(23,820). This entire amount is designated as unassigned fund balance at December 31, 2025. The deficit will be remedied as resources are obtained through qualifying grants or transfers in from other funds.

General Fund Budgetary Highlights

The Town's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriation of fund balance. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2025 is presented in Table 5 on the following page.

Table 5—General Fund Budget

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues	\$ 3,116,376	\$ 3,221,803	\$ 3,422,263	\$ 200,460
Expenditures and other financing uses	<u>3,395,225</u>	<u>3,682,331</u>	<u>3,578,129</u>	<u>104,202</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (278,849)</u>	<u>\$ (460,528)</u>	<u>\$ (155,866)</u>	<u>\$ 304,662</u>

Original budget compared to final budget—At the close of the fiscal year, the overall budgeted appropriations increased by \$287,106. This increase is primarily related to budgetary amendments for the recognition of grants within general government support and public safety for police equipment.

Final budget compared to actual results—A review of actual revenues and expenditures compared to estimated revenues and appropriations in the final budget yields several favorable variances, most notably related to higher than anticipated sales tax collections, coupled with savings in culture and recreation and general government support.

Capital Assets and Debt Administration

Capital assets—The Town’s investment in capital assets for its governmental activities as of December 31, 2025, amounted to \$6,512,057 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, transportation network, fire trucks, vehicles, and water treatment and distribution network.

All depreciable capital assets were depreciated using a half year convention as outlined in the Town’s capital asset policy.

Capital assets net of depreciation for the governmental activities at the years ended December 31, 2025 and 2024 are presented below:

Table 6—Summary of Capital Assets (Net of Depreciation)

	Governmental Activities	
	December 31,	
	2025	2024
Land	\$ 212,152	\$ 212,152
Construction in progress	828,666	938,720
Vehicles	278,452	218,207
Machinery and equipment	1,136,649	998,360
Fire trucks	928,481	882,796
Buildings and improvements	2,252,520	1,499,214
Transportation network	290,933	305,944
Water treatment and distribution network	<u>584,204</u>	<u>608,282</u>
Total	<u>\$ 6,512,057</u>	<u>\$ 5,663,675</u>

Additional information on the Town’s capital assets can be found in Note 4 to the financial statements.

Long-term debt—At December 31, 2025, the Town had net bonded debt outstanding of \$12,051,521 as compared to \$12,551,691 at December 31, 2024. During the year, the Town made scheduled principal payments of \$491,000.

The Town’s governmental activities also have recorded debt for compensated absences, and the net pension liability.

A summary of the Town’s long-term liabilities at December 31, 2025 and December 31, 2024 is presented in Table 7 below:

Table 7—Summary of Long-Term Liabilities

	Governmental Activities	
	December 31,	
	2025	2024
Bonds payable, net	\$ 12,051,521	\$ 12,551,691
Compensated absences	424,509	542,330
Net pension liability	1,158,541	1,292,634
Total	<u>\$ 13,634,571</u>	<u>\$ 14,386,655</u>

Additional information on the Town’s long-term liabilities can be found in Note 8 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during December 2025 was 4.0 percent. This compares to the New York State and national unemployment rate of 4.4 and 4.1 percent, respectively. These factors are considered in preparing the Town’s budget.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2026 budget. The Town’s 2026 budget includes the appropriation of \$237,000 of fund balance in the General Fund. The General Fund tax rate is \$2.96 per thousand of assessed value for the 2026 budget year.

Requests for Information

This financial report is designed to provide a general overview of the Town’s finances for all those with interest in the Town’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor’s Office, Town of Eden, 2795 East Church Street, Eden, New York 14057.

BASIC FINANCIAL STATEMENTS

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

TOWN OF EDEN, NEW YORK
Statement of Net Position
December 31, 2025

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,034,085
Restricted cash and cash equivalents	2,363,380
Receivables	52,430
Intergovernmental receivables	576,792
Prepaid items	114,991
Capital assets not being depreciated	1,040,818
Capital assets, net of accumulated depreciation	5,471,239
Total assets	12,653,735
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pensions	1,011,766
Total deferred outflows of resources	1,011,766
LIABILITIES	
Accounts payable	189,235
Accrued liabilities	376,056
Intergovernmental payables	23,207
Unearned revenue	5,704
Noncurrent liabilities:	
Due within one year	531,395
Due within more than one year	13,103,176
Total liabilities	14,228,773
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pensions	305,825
Total deferred inflows of resources	305,825
NET POSITION	
Net investment in capital assets	6,062,566
Restricted for:	
Debt	167,205
Equipment and capital improvements	1,767,663
Repairs	93,960
Emergency medical services	251,311
Commercial permit fees	37,025
Unrestricted	(9,248,827)
Total net position	\$ (869,097)

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

TOWN OF EDEN, NEW YORK
Statement of Activities
Year Ended December 31, 2025

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$ 1,198,228	\$ 338,986	\$ -	-	\$ (859,242)
Public safety	1,537,072	121,419	156,415	-	(1,259,238)
Health	200,194	158,917	-	-	(41,277)
Transportation	2,371,453	181,033	-	353,319	(1,837,101)
Economic assistance and opportunity	28,590	-	-	-	(28,590)
Culture and recreation	467,360	80,172	-	334,539	(52,649)
Home and community services	996,151	130,334	-	-	(865,817)
Interest and other fiscal charges	523,390	-	-	-	(523,390)
Total primary government	<u>\$ 7,322,438</u>	<u>\$ 1,010,861</u>	<u>\$ 156,415</u>	<u>\$ 687,858</u>	<u>(5,467,305)</u>
General revenues:					
Property taxes and tax items					4,798,080
Sales tax					1,453,040
Mortgage tax					133,469
Franchise tax					99,816
Use of money and property					175,321
Sale of property and compensation for loss					37,241
Miscellaneous					121,212
Total general revenues					<u>6,818,179</u>
Change in net position					1,350,874
Net position—beginning					<u>(2,219,971)</u>
Net position—ending					<u>\$ (869,097)</u>

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

TOWN OF EDEN, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2025

	Special Revenue					Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Fire District	Water District	Refuse and Garbage District			
ASSETS								
Cash and cash equivalents	\$ 1,076,143	\$ 593,499	\$ 235,364	\$ 737,572	\$ 252,799	\$ -	\$ 138,708	\$ 3,034,085
Restricted cash and cash equivalents	803,010	169,123	1,177,826	172,909	-	40,512	-	2,363,380
Receivables	50,289	-	-	708	1,433	-	-	52,430
Due from other funds	106,917	54,143	-	-	-	-	-	161,060
Intergovernmental receivables	224,248	352,544	-	-	-	-	-	576,792
Prepaid items	83,897	31,094	-	-	-	-	-	114,991
Total assets	<u>\$ 2,344,504</u>	<u>\$ 1,200,403</u>	<u>\$ 1,413,190</u>	<u>\$ 911,189</u>	<u>\$ 254,232</u>	<u>\$ 40,512</u>	<u>\$ 138,708</u>	<u>\$ 6,302,738</u>
LIABILITIES								
Accounts payable	\$ 91,308	\$ 18,945	\$ 4,198	\$ -	\$ 62,193	\$ 10,056	\$ 2,535	\$ 189,235
Accrued liabilities	56,952	50,685	472	-	-	-	-	108,109
Due to other funds	-	106,146	638	-	-	54,276	-	161,060
Intergovernmental payables	11,437	-	2,190	8,604	-	-	976	23,207
Unearned revenue	-	-	-	5,704	-	-	-	5,704
Total liabilities	<u>159,697</u>	<u>175,776</u>	<u>7,498</u>	<u>14,308</u>	<u>62,193</u>	<u>64,332</u>	<u>3,511</u>	<u>487,315</u>
FUND BALANCES								
Nonspendable:								
Prepaid items	83,897	31,094	-	-	-	-	-	114,991
Restricted:								
Debt	-	-	-	167,205	-	-	-	167,205
Equipment and capital improvements	420,714	169,123	1,177,826	-	-	-	-	1,767,663
Repairs	93,960	-	-	-	-	-	-	93,960
Emergency medical services	251,311	-	-	-	-	-	-	251,311
Commercial permit fees	37,025	-	-	-	-	-	-	37,025
Assigned:								
Subsequent year's expenditures	237,000	200,000	-	-	11,582	-	-	448,582
Encumbrances	1,403	6,488	-	-	-	-	-	7,891
Sick pay	158,457	242,215	-	-	-	-	-	400,672
Equipment and improvements	164,261	9,522	161,370	-	-	-	-	335,153
Recreation	158,866	-	-	-	-	-	-	158,866
Garbage totes	-	-	-	-	45,820	-	-	45,820
Specific use	-	366,185	66,496	729,676	134,637	-	135,197	1,432,191
Unassigned	<u>577,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,820)</u>	<u>-</u>	<u>554,093</u>
Total fund balances (deficit)	<u>2,184,807</u>	<u>1,024,627</u>	<u>1,405,692</u>	<u>896,881</u>	<u>192,039</u>	<u>(23,820)</u>	<u>135,197</u>	<u>5,815,423</u>
Total liabilities and fund balances (deficit)	<u>\$ 2,344,504</u>	<u>\$ 1,200,403</u>	<u>\$ 1,413,190</u>	<u>\$ 911,189</u>	<u>\$ 254,232</u>	<u>\$ 40,512</u>	<u>\$ 138,708</u>	<u>\$ 6,302,738</u>

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

TOWN OF EDEN, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2025

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances (deficit)—governmental funds (page 14)	\$	5,815,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$22,930,149 and the accumulated depreciation is \$16,418,092.		6,512,057
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 341,794	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	669,972	
Deferred inflows related to pension plans	<u>(305,825)</u>	705,941
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the fund statements.		(267,947)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (11,847,000)	
Premium on serial bonds	(204,521)	
Compensated absences	(424,509)	
Net pension liability	<u>(1,158,541)</u>	<u>(13,634,571)</u>
Net position of governmental activities	\$	<u>(869,097)</u>

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

TOWN OF EDEN, NEW YORK
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds
Year Ended December 31, 2025

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Fire District</u>	<u>Water District</u>	<u>Refuse and Garbage District</u>			
REVENUES								
Real property taxes	\$ 1,056,945	\$ 1,462,119	\$ 522,455	\$ 887,504	\$ 772,730	\$ -	\$ 67,361	\$ 4,769,114
Real property tax items	18,493	10,002	-	-	-	-	471	28,966
Non-property tax items	1,472,856	80,000	-	-	-	-	-	1,552,856
Departmental income	362,525	-	-	7,359	13,901	-	-	383,785
Intergovernmental charges	8,500	172,533	250	1,455	-	250,000	-	432,738
Use of money and property	82,577	31,353	29,418	19,320	9,853	-	2,800	175,321
Sale of property and compensation for loss	626	36,615	-	-	-	-	-	37,241
Licenses and permits	73,869	-	-	-	-	-	-	73,869
Fines and forfeitures	120,469	-	-	-	-	-	-	120,469
Miscellaneous	35,519	33,049	2,644	-	-	50,000	-	121,212
State aid	189,884	271,496	100,000	-	-	416,362	-	977,742
Total revenues	3,422,263	2,097,167	654,767	915,638	796,484	716,362	70,632	8,673,313
EXPENDITURES								
Current:								
General government support	1,080,193	488	-	-	212	-	-	1,080,893
Public safety	939,572	-	410,607	-	-	-	-	1,350,179
Health	199,208	-	-	-	-	-	-	199,208
Transportation	151,978	1,978,111	-	-	-	-	32,503	2,162,592
Economic assistance and opportunity	28,590	-	-	-	-	-	-	28,590
Culture and recreation	400,393	-	-	-	-	-	-	400,393
Home and community services	66,379	-	-	118,079	814,791	-	-	999,249
Employee benefits	592,166	333,287	777	-	-	-	-	926,230
Debt service:								
Principal	15,000	-	60,000	385,000	-	-	31,000	491,000
Interest and fiscal charges	2,475	-	2,565	395,375	-	-	3,487	403,902
Capital outlay	-	-	-	-	-	805,772	-	805,772
Total expenditures	3,475,954	2,311,886	473,949	898,454	815,003	805,772	66,990	8,848,008
Excess (deficiency) of revenues over expenditures	(53,691)	(214,719)	180,818	17,184	(18,519)	(89,410)	3,642	(174,695)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	152,175	-	152,175
Transfers out	(102,175)	-	(50,000)	-	-	-	-	(152,175)
Total other financing sources (uses)	(102,175)	-	(50,000)	-	-	152,175	-	-
Net change in fund balances (deficit)	(155,866)	(214,719)	130,818	17,184	(18,519)	62,765	3,642	(174,695)
Fund balances (deficit)—beginning	2,340,673	1,239,346	1,274,874	879,697	210,558	(86,585)	131,555	5,990,118
Fund balances (deficit)—ending	\$ 2,184,807	\$ 1,024,627	\$ 1,405,692	\$ 896,881	\$ 192,039	\$ (23,820)	\$ 135,197	\$ 5,815,423

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

TOWN OF EDEN, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances (deficit)—total governmental funds (page 16) \$ (174,695)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposal of assets in the current period.

Capital asset additions	\$ 1,321,804	
Depreciation expense	(472,375)	
Loss on disposal of assets	(1,047)	848,382

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

Town pension contributions	\$ 430,396	
Cost of benefits earned net of employee contributions	(242,542)	187,854

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (128,658)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized within the government-wide statements. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Principal payments on serial bonds	\$ 491,000	
Amortization of premium on serial bonds	9,170	
Change in compensated absences	117,821	617,991

Change in net position of governmental activities \$ 1,350,874

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

TOWN OF EDEN, NEW YORK
Statement of Fiduciary Net Position—Custodial Fund
Year Ended December 31, 2025

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 15,216
Total assets	<u>15,216</u>
NET POSITION	
Restricted	<u>\$ 15,216</u>

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

TOWN OF EDEN, NEW YORK
Statement of Changes in Fiduciary Net Position—Custodial Fund
Year Ended December 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Funds collected on behalf of others	\$ 11,847
Total additions	<u>11,847</u>
DEDUCTIONS	
Funds distributed on behalf of others	<u>23,494</u>
Total deductions	<u>23,494</u>
Change in fiduciary net position	(11,647)
Net position—beginning	<u>26,863</u>
Net position—ending	<u>\$ 15,216</u>

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

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

TOWN OF EDEN, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Eden, New York (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges to external customers for support. The Town reports no business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Town reports no component units.

Reporting Entity

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and various local laws. The five-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town include:

Supervisor	Town Clerk / Collector of Taxes
Council Members (4)	Superintendent of Highways
Town Justices (2)	

Units of local government which operate within the boundaries of the Town consist of the County of Erie. Public education is provided by the Eden and Hamburg Central School Districts.

Basis of Presentation—Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government’s water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

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

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is non-property tax items.
- *Highway Fund*—The Highway Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The major source of revenue for this fund is real property taxes.
- *Fire District Fund*—The Fire District Fund is used to record all revenues and expenditures related to operation and maintenance of the fire district. The major source of revenue for this fund is real property taxes.
- *Water District Fund*—The Water District Fund is used to record all revenues and expenditures related to operation and maintenance of the water district fund as well as for the payment of long-term debt principal and interest. The major source of revenue for this fund is real property taxes.
- *Refuse and Garbage District Fund*—The Refuse and Garbage Fund is used to record all revenues and expenditures related to the Town's garbage operations.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

Additionally, the Town reports the following fund type:

- *Fiduciary Funds*—These funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies held in trust, deposits that are to be returned, and payroll withholdings due to other entities.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental

activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town 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. However, debt services expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, franchise taxes, licenses, interest and state and federal aid associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Custodial Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The Town’s cash, cash equivalents and investments consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The Town had no investments at December 31, 2025; however, when the Town does have investments it is the Town’s policy to record them at fair value based on quoted market value.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support restricted fund balance, future disbursements associated with unearned revenue and funds set aside for capital projects. The Town reported restricted cash and cash equivalents balances of \$2,363,380 and \$15,216 within governmental funds and the fiduciary fund, respectively.

Intergovernmental Receivables—Receivables include amounts due from state and federal governments and represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to state and federally funded programs. Receivables are recorded and revenues recognized as earned. Allowances are recorded when appropriate.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than purchased.

Capital Assets—Capital assets, which include land, construction in progress, buildings, building improvements, machinery and equipment, fire trucks, vehicles and infrastructure assets (e.g. roads, bridges, drainage systems and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of its donation. Major outlays for capital assets and improvements are capitalized as projects are completed.

Land and construction in progress are not depreciated. The other capital assets of the Town are depreciated using a straight-line, half-year convention, over the following estimated useful lives:

Assets	Years
Vehicles	4-5
Machinery and equipment	10
Fire trucks	25
Buildings and improvements	20-50
Transportation network	50
Water treatment and distribution network	50

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2025, the Town has one item that qualifies for reporting in this category which is reported in the government-wide statements. This item represents the effect of the net change in the Town’s proportion of the collective net pension liability, the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2025, the Town has one item that qualifies for reporting in this category which is reported in the government-wide statements. This item represents the effect of the net change in the Town's proportion of the collective net pension liability and the difference during the measurement periods between the Town's contributions, and its proportionate share of the total contributions to the pension systems not included in pension expense.

Net Position Flow Assumption—Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted–net position and unrestricted–net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by Town Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as committed. The Town Board has by resolution authorized the Supervisor to assign fund balance. The Town Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures

Program Revenues—The amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—The Erie County Legislature prepares the levy in late December of each year and jointly bills the Town levy and Erie County real property taxes. Property taxes are levied and become a lien as of January 1st based on assessed property values as of that date.

On all taxes paid on or before March 15th, no addition will be made, but penalties will be added after that date as follows: if paid on or after March 15th to April 30th inclusive add 7.5%. On May 1st the 7.5% penalty fee is added to the levy, forming the base of the tax then due; thereafter, interest is added to the base at the rate of 1.5% per month on the 1st of each month, making 18.78% in all, when unpaid taxes are sold in November.

The tax roll is returned to the Erie County Commissioner of Finance after June 30th at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Receiver of Taxes also bills and collects taxes for the Eden Central School District. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes, independent of Town operations.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2025, the Town reported unearned revenues in the Water District Fund in the amount of \$5,704. This amount represents resources which have been transmitted to the Town before the eligibility requirements have been met.

Compensated Absences—The Town labor agreements and Town Board rules and regulations provide for sick leave, vacations, and other miscellaneous paid absences in varying amounts. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Payment of compensated absences recorded in the government-wide financial statements is dependent on many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payments of compensated absences when such payment becomes due.

Pension Plans—The Town is mandated by New York State law to participate in the New York State Police and Fire Retirement System (“PFRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other

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

Adoption of New Accounting Pronouncements—During the year ended December 31, 2025, the Town implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025. GASB Statement No. 102 provides users of the government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have a material impact on the Town’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets* effective for the year ending December 31, 2026; and No. 105, *Subsequent Events*, effective for the year ending December 31, 2027. The Agency is, therefore, unable to disclose the impact that adopting GASB Statements No. 103, 104, and 105 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- Prior to September 30th, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1st. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5th.
- The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
- Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20th.
- Formal annual budgetary accounts are employed as a management control device for the General and Special Revenue Funds.
- During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.

Deficit Fund Balance—At December 31, 2025, the Town’s Capital Projects Fund reported a fund balance deficit of \$(23,820) primarily due to capital outlay expenditures exceeding available resources. This deficit will be eliminated as resources are obtained through qualifying grants or transfers in from other funds.

Deficit Net Position—At December 31, 2025, the Town’s governmental activities had a total net position of \$(869,097) due primarily to the Town’s long-term commitments including bonds payable and net pension liability that are greater than currently available resources.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at December 31, 2025 are as follows:

	Governmental Funds	Custodial Fund	Total
Petty cash (uncollateralized)	\$ 575	\$ -	\$ 575
Deposits	5,396,890	15,216	5,412,106
Total	<u>\$ 5,397,465</u>	<u>\$ 15,216</u>	<u>\$ 5,412,681</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2025 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	5,176,368	4,912,106
Total	<u>\$ 5,676,368</u>	<u>\$ 5,412,106</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As noted above, by State Statute all deposits in excess of FDIC insurance coverage must be collateralized. At December 31, 2025, the Town's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Town's name.

Restricted Cash and Cash Equivalents—The Town reports amounts set aside for capital projects and amounts to support unearned revenue and restricted fund balances as restricted cash and cash equivalents. The Town reported restricted cash and cash equivalents balances of \$2,363,380 and \$15,216 within the governmental funds and the Custodial Fund, respectively.

Investments—The Town had no investments at December 31, 2025.

Interest Rate Risk—In accordance with its investment policy, the Town manages exposures by limiting investments to low risk type investments governed by New York State statute.

3. RECEIVABLES

Revenues accrued by the Town at December 31, 2025 consisted of the following:

Receivables—Represents amounts due from various sources. The Town’s significant accounts receivable at December 31, 2025 are presented below:

General Fund:		
Town Clerk fees and charges	\$	4,948
Court fines and fees		7,354
Cable franchise fees		23,536
Other		<u>14,451</u>
	\$	50,289
Water Fund:		
Other		708
Refuse and Garbage District Fund:		
Other		<u>1,433</u>
Total governmental funds	\$	<u>52,430</u>

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Significant intergovernmental receivables at December 31, 2025 are presented below:

General Fund:		
Erie County - sales tax	\$	199,591
Eden Schools SRO reimbursement		<u>24,657</u>
	\$	224,248
Highway Fund:		
New York State		<u>352,544</u>
Total governmental funds	\$	<u>576,792</u>

4. CAPITAL ASSETS

Capital asset activity for the Town's governmental activities for the year ended December 31, 2025 was as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025
Capital assets, not being depreciated:				
Land	\$ 212,152	\$ -	\$ -	\$ 212,152
Construction in progress	938,720	825,590	935,644	828,666
Total capital assets, not being depreciated	<u>1,150,872</u>	<u>825,590</u>	<u>935,644</u>	<u>1,040,818</u>
Capital assets, being depreciated:				
Vehicles	1,860,593	139,713	142,473	1,857,833
Machinery and equipment	2,665,664	330,652	20,845	2,975,471
Fire trucks	2,754,008	125,850	-	2,879,858
Buildings and improvements	4,867,482	835,643	-	5,703,125
Transportation network	7,631,061	-	-	7,631,061
Water treatment, streetlights and distribution network	841,983	-	-	841,983
Total capital assets, being depreciated	<u>20,620,791</u>	<u>1,431,858</u>	<u>163,318</u>	<u>21,889,331</u>
Less accumulated depreciation for:				
Vehicles	1,642,386	79,468	142,473	1,579,381
Machinery and equipment	1,667,304	191,316	19,798	1,838,822
Fire trucks	1,871,212	80,165	-	1,951,377
Buildings and improvements	3,368,268	82,337	-	3,450,605
Transportation network	7,325,117	15,011	-	7,340,128
Water treatment, streetlights and distribution network	233,701	24,078	-	257,779
Total accumulated depreciation	<u>16,107,988</u>	<u>472,375</u>	<u>162,271</u>	<u>16,418,092</u>
Total capital assets, being depreciated, net	<u>4,512,803</u>	<u>959,483</u>	<u>1,047</u>	<u>5,471,239</u>
Total capital assets, net	<u>\$ 5,663,675</u>	<u>\$ 1,785,073</u>	<u>\$ 936,691</u>	<u>\$ 6,512,057</u>

Depreciation expense was charged to the functions and programs of governmental activities as follows:

General government support	\$ 83,955
Public safety	192,472
Transportation	137,672
Culture and recreation	2,744
Home and community services	55,532
Total	<u>\$ 472,375</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2025 were as follows:

	General Fund	Highway Fund	Fire District Fund	Total Governmental Funds
Salaries and employee benefits	\$ 56,952	\$ 50,685	\$ 472	\$ 108,109
Total accrued liabilities	<u>\$ 56,952</u>	<u>\$ 50,685</u>	<u>\$ 472</u>	<u>\$ 108,109</u>

6. PENSION PLANS

Police and Fire Retirement System (“PFRS”) and Employees’ Retirement System (“ERS”)—The Town participates in the PFRS and ERS (the “Systems”). These are cost-sharing multiple employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The Systems are included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

Pension Liability, 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 PFRS and ERS. The net pension liability were measured as of March 31, 2025. The total pension liability used to calculate the net pension liability were determined by actuarial valuations as of April 1, 2024, with updated procedures used to roll forward the total net pension liability to the measurement date. The Town’s proportion of the net pension liability were 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.

	PFRS	ERS
Measurement date	March 31, 2025	March 31, 2025
Net pension liability	\$ 501,808	\$ 656,733
Town's portion of the Plan's total net pension liability	0.0082577%	0.0038305%

For the year ended December 31, 2025, the Town recognized pension expenses of \$111,478 and \$132,240 respectively, for PFRS and ERS. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 167,146	\$ 163,016	\$ -	\$ 7,690
Changes of assumptions	75,352	27,544	-	-
Net difference between projected and actual earnings on pension plan investments	19,288	51,529	-	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	51,864	114,233	120,161	177,974
Town contributions subsequent to the measurement date	123,876	217,918	-	-
Total	<u>\$ 437,526</u>	<u>\$ 574,240</u>	<u>\$ 120,161</u>	<u>\$ 185,664</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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 Ending December 31,	PFRS	ERS
2026	\$ 118,819	\$ 106,053
2027	53,977	158,290
2028	(11,227)	(71,273)
2029	25,823	(22,412)
2030	6,097	-

Actuarial Assumptions—The total pension liability as of the measurement date were determined by using actuarial valuations as noted in the table on the following page, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the actuarial assumptions are shown on the following page.

	PFRS	ERS
Measurement date	March 31, 2025	March 31, 2025
Actuarial valuation date	April 1, 2024	April 1, 2024
Interest rate	5.90%	5.90%
Salary scale	5.70%	4.30%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.90%	2.90%
Cost-of-living adjustments	1.50%	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2025	
Measurement date		
Asset class:		
Domestic equities	25.0 %	3.5 %
International equities	14.0	6.6
Private equity	15.0	7.3
Real estate	12.0	5.0
Opportunistics/Absolute return strategies	3.0	5.3
Credit	4.0	5.4
Real assets	4.0	5.6
Fixed income	22.0	2.0
Cash	1.0	0.3
Total	<u>100 %</u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart presented below presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability—PFRS	\$ 1,058,083	\$ 501,808	\$ 42,683
Employer's proportionate share of the net pension liability/(asset)—ERS	1,900,784	656,773	(381,977)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2024	April 1, 2024	
Employers' total pension liability	\$ 48,718,477	\$ 247,600,239	\$ 296,318,716
Plan fiduciary net position	42,641,620	230,454,512	273,096,132
Employers' net pension liability	<u>\$ 6,076,857</u>	<u>\$ 17,145,727</u>	<u>\$ 23,222,584</u>
System fiduciary net position as a percentage of total pension liability	87.5%	93.1%	92.2%

7. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for: property coverage, general liability coverage, automobile coverage, inland marine coverage, volunteer emergency services management liability coverage and umbrella coverage. The Town also purchases owners’ & contractors’ protective coverage insurance, public officials/police professional liability insurance, cyber privacy and liability insurance and crime insurance. There have been no significant reduction in the levels of this commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years.

Property insurance is limited based on scheduled locations. The general liability insurance is limited to \$1 million per occurrence, with a \$3 million annual aggregate limit. Automobile insurance is limited to \$1 million per accident. Inland marine coverage has various limits for each individually scheduled property and equipment. Volunteer emergency services management liability insurance is limited to \$1 million per occurrence, with a \$1 million annual aggregate limit. Umbrella coverage is limited to \$5 million per occurrence with a \$5 million annual aggregate limit. The owners’ and contractors’ protective liability insurance and the public officials insurance each are limited to \$1 million per occurrence with a \$2 million annual aggregate limit. The police professional liability insurance is limited to \$1 million per occurrence, with a \$1 million annual aggregate limit. Cyber

privacy and liability insurance is limited based on type of incident. The Town also carries commercial crime insurance with a \$50,000 limit for employee theft and premises theft.

8. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources. The Town's outstanding long-term liabilities include bonds payable, compensated absences, and net pension liability. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute. A summary of changes in the Town's long-term liabilities at December 31, 2025 is presented below:

	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Serial bonds	\$ 12,338,000	\$ -	\$ 491,000	\$ 11,847,000	\$ 501,000
Premium on serial bonds	213,691	-	9,170	204,521	9,170
Bonds payable	12,551,691	-	500,170	12,051,521	510,170
Compensated absences*	542,330	-	117,821	424,509	21,225
Net pension liability*	1,292,634	-	134,093	1,158,541	-
Total governmental activities	<u>\$ 14,386,655</u>	<u>\$ -</u>	<u>\$ 752,084</u>	<u>\$ 13,634,571</u>	<u>\$ 531,395</u>

*(additions/reductions to the net pension liability and compensated absences are shown net of additions/reductions)

Serial Bonds—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. Bonds issued by the Water District Fund were used for acquisition, construction, and renovation of the Town's water treatment and distribution network. While the debt is maintained and paid by the Water District Fund, these capital assets have been transferred to the Erie County Water Authority. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities ranging from 5 to 32 years.

Principal is paid annually, interest is paid semi-annually; these payments are recorded in the associated fund. A summary of additions and payments for the year ended December 31, 2025, is presented on the following page.

Description	Original Issue	Interest Rate (%)	Issue/ Maturity	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Within One Year
General Fund:								
Public improvements	\$ 138,000	2.00-3.50%	2019/2049	\$ 90,000	\$ -	\$ 15,000	\$ 75,000	\$ 15,000
Total General Fund				90,000	-	15,000	75,000	15,000
Fire District Fund:								
Reconstruction and improvements	665,000	0.60-2.85%	2013/2026	120,000	-	60,000	60,000	60,000
Total Fire District Fund				120,000	-	60,000	60,000	60,000
Water District Fund:								
Public improvements	7,245,000	2.00-5.00%	2016/2048	5,995,000	-	185,000	5,810,000	190,000
Public improvements	6,835,000	2.00-3.50%	2019/2049	6,040,000	-	200,000	5,840,000	205,000
Total Water District Fund				12,035,000	-	385,000	11,650,000	395,000
Other Nonmajor Funds:								
Street Lighting LED Project	155,000	3.75%	2022/2027	93,000	-	31,000	62,000	31,000
Total Other Nonmajor Funds				93,000	-	31,000	62,000	31,000
Total				\$ 12,338,000	\$ -	\$ 491,000	\$ 11,847,000	\$ 501,000

Premium on Serial Bonds—Previously, the Town issued refunding serial bonds at a premium. The premium is being amortized on a straight-line basis over the life of the bonds. The total unamortized premium as of December 31, 2025 was \$204,521, of which \$16,362 is related to Water District bonds.

Compensated Absences—As described in Note 1, the Town records the value of compensated absences in the government-wide financial statements. The annual budgets of the respective funds of which the employees’ payroll is recorded provide for these benefits as they become due. Typically, the General Fund and Highway Fund have been used in prior years to liquidate the current liability. The liability for compensated absences at December 31, 2025 amounts to \$424,509. While the payments of compensated absences are dependent upon many factors, the Town has estimated that \$21,225 will become due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily available.

Net Pension Liability—The Town reports a liability totaling \$1,158,541 for its proportionate share of the net pension liabilities for the Police and Fire Retirement System and Employees’ Retirement System. Typically, the General Fund and Highway Fund have been used to liquidate this liability within the governmental funds. Refer to Note 6 for additional information related to the Town’s net pension liabilities.

A maturity schedule of the Town’s indebtedness is presented below:

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Net Pension Liability	Total
2026	\$ 501,000	\$ 9,170	\$ 21,225	\$ -	\$ 531,395
2027	451,000	9,170	-	-	460,170
2028	440,000	9,170	-	-	449,170
2029	450,000	9,170	-	-	459,170
2030	475,000	9,170	-	-	484,170
2031-2035	2,520,000	45,850	-	-	2,565,850
2036-2040	2,850,000	45,850	-	-	2,895,850
2041-2045	2,500,000	45,850	-	-	2,545,850
2046-2050	1,660,000	21,121	-	-	1,681,121
Thereafter	-	-	403,284	1,158,541	1,561,825
Total	\$ 11,847,000	\$ 204,521	\$ 424,509	\$ 1,158,541	\$ 13,634,571

Interest requirements on serial bonds payable are as follows:

December 31,	Interest
2026	\$ 387,005
2027	370,613
2028	354,125
2029	337,975
2030	319,650
2031-2035	1,341,023
2036-2040	909,167
2041-2045	474,577
2046-2049	<u>100,282</u>
Total	<u>\$ 4,594,417</u>

9. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the Town’s governmental activities net investment in capital assets is presented below:

Capital assets, net of accumulated depreciation	\$ 6,512,057
Related debt:	
Serial bonds related to Town owned assets	(197,000)
Unamortized bond premium related to Town owned assets	(188,159)
Capital Projects Fund accounts payable	(10,056)
Capital Projects Fund due to other funds	<u>(54,276)</u>
Net investment in capital assets	<u>\$ 6,062,566</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions and enabling legislation.
- **Unrestricted Net Position**—This category represents the net position of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2025 are shown below.

- **Prepaid Items**—Representing the portion of fund balance, \$83,897 and \$31,094, composed of prepaid items for the General Fund and Highway Fund, respectively. This balance is nonspendable as the balance does not represent an available source.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or by enabling legislation. Restricted fund balances of the Town at December 31, 2025 include:

- ***Restricted for Debt***—Represents unspent debt proceeds.
- ***Restricted for Equipment and Capital Improvements***—Represents funds accumulated to finance all or part of the cost of construction, reconstruction or acquisition of specific items or types of capital improvements or acquisition of specific items or types of equipment.
- ***Restricted for Repairs***—Represents funds accumulated to pay the cost of certain repairs of capital improvements or equipment. The repairs must be of a type not recurring annually or at shorter intervals.
- ***Restricted for Emergency Medical Services***—Represents funds received from revenues required to be used towards providing Eden Emergency Squad with the ambulance vehicles, equipment, facilities, and an annual budgeted payment to reimburse them for various expenditures.
- ***Restricted for Commercial Permit Fees***—Represents funds received from revenues related to commercial permits fees to be used towards related expenditures.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town’s highest level of decision-making authority. At December 31, 2025, the Town reported no committed fund balance.

In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the Town at December 31, 2025 and include the following:

- ***Assigned to Subsequent Year’s Expenditures***—Represents available fund balance being appropriated to meet expenditure requirements in the 2026 fiscal year.
- ***Assigned to Encumbrances***—Represents funds accumulated for commitments related to unperformed contracts or purchase orders for goods or services.
- ***Assigned to Sick Pay***—Represents funds that management intends to use as a financing source for future sick pay expenditures.
- ***Assigned to Equipment and Improvements***—Represents funds that management intends to use for facility improvements.
- ***Assigned for Recreation***—Represents funds accumulated to pay the cost of certain recreation activities.
- ***Assigned for Garbage Totes***—Represents funds held to pay for the cost of new garbage totes.
- ***Assigned to Specific Use***—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment’s purpose relates to each fund’s operations and represents amounts within funds that are not restricted or committed.

Unassigned fund balance represents the residual classification of the government's General Fund surplus and surplus fund balance.

If the Town must use funds for emergency expenditures, the Board shall authorize the Supervisor to expend funds first from funds classified under GASB as nonspendable (if the funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other funds are available, the Town will use unassigned fund balance.

10. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the ensuing year.

Interfund receivables and payables of the Town as of, and for the year ended December 31, 2025 are presented below:

Fund	Interfund	
	Receivables	Payables
Governmental funds:		
General Fund	\$ 106,917	\$ -
Highway Fund	54,143	106,146
Fire District Fund	-	638
Capital Projects Fund	-	54,276
Total	<u>\$ 161,060</u>	<u>\$ 161,060</u>

Transfers of the Town as of, and for the year ended December 31, 2025 are presented on below.

Fund	Transfers in	Transfers out
General Fund	\$ -	\$ 102,175
Fire District Fund	-	50,000
Capital Project Fund	152,175	-
Total	<u>\$ 152,175</u>	<u>\$ 152,175</u>

During the year, operating transfers from the General Fund and Fire District Fund to the Capital Projects Fund are utilized to provide funding toward capital projects.

11. LABOR CONTRACTS

Town employees are represented by two bargaining units with the balance governed by Town Board rules and regulations. The Highway Employee Association and the Police Club have contracts through December 31, 2025, respectively.

12. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriate and become part of the subsequent year’s budget pursuant to state regulations.

The Town assigned \$7,891 of fund balance for encumbrances at December 31, 2025. The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$5,000. The Town does not report any significant encumbrances as of December 31, 2025.

13. CONTINGENCIES

Litigation—The Town is involved in litigation in the ordinary course of its operations. The Town believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the Town’s financial condition or results of operations.

Grants—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Assessments—The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case by case basis, and is dependent upon various factors including market values and appraised amounts. Management believes that the level of potential losses on these cases, if any, would be immaterial and no provisions have been made within the financial statements.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 13, 2026, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

TOWN OF EDEN, NEW YORK
Schedule of the Town's Proportionate Share of the
Net Pension Liability—Police and Fire Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Town's proportion of the net pension liability	0.0082577%	0.0098320%	0.0075436%	0.0100078%	0.0108762%	0.0062362%	0.0092498%	0.0090629%	0.0086777%	0.0113839%
Town's proportionate share of the net pension liability	<u>\$ 501,808</u>	<u>\$ 466,317</u>	<u>\$ 466,317</u>	<u>\$ 56,849</u>	<u>\$ 188,841</u>	<u>\$ 333,323</u>	<u>\$ 155,125</u>	<u>\$ 91,604</u>	<u>\$ 179,858</u>	<u>\$ 337,054</u>
Town's covered payroll	474,551.16	343,111	297,103	245,727	\$ 245,257	\$ 305,777	\$ 338,607	\$ 341,256	\$ 328,949	\$ 318,914
Town's proportionate share of the net pension liability as a percentage of its covered payroll	105.7%	135.9%	157.0%	23.1%	77.0%	109.0%	45.8%	26.8%	54.7%	105.7%
Plan fiduciary net position as a percentage of the total pension liability	87.5%	89.7%	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%

TOWN OF EDEN, NEW YORK
Schedule of the Town's Contributions—
Police and Fire Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	149,705	97,377	75,586	65,349	72,768	82,213	87,957	86,443	\$ 86,389	\$ 83,210
Contributions in relation to the contractually required contribution	(149,705)	(97,377)	(75,586)	(65,349)	(72,768)	(82,213)	(87,957)	(86,443)	(86,389)	(83,210)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	406,734.98	\$ 451,502	\$ 332,798	\$ 264,039	\$ 237,298	\$ 277,897	\$ 283,279	\$ 354,669	\$ 343,165	\$ 320,949
Contributions as a percentage of covered payroll	36.8%	21.6%	22.7%	24.7%	30.7%	29.6%	31.0%	24.4%	25.2%	25.9%

TOWN OF EDEN, NEW YORK
Schedule of the Town's Proportionate Share of the
Net Pension Liability/(Asset)—Employees' Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Town's proportion of the net pension liability (asset)	0.0038305%	0.0056120%	0.0048755%	0.0044517%	0.0044328%	0.0048191%	0.0047250%	0.0047494%	0.0048356%	0.0051133%
Town's proportionate share of the net pension liability (asset)	\$ 656,733	\$ 826,317	\$ 826,317	\$ (363,908)	\$ 4,414	\$ 1,276,119	\$ 334,782	\$ 153,286	\$ 454,367	\$ 820,700
Town's covered payroll	1,730,849	1,647,680	1,620,177	1,460,468	\$ 1,335,973	\$ 1,398,759	\$ 1,389,068	\$ 1,340,056	\$ 1,287,366	\$ 1,224,191
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.9%	50.2%	51.0%	(24.9%)	0.3%	91.2%	24.1%	11.4%	35.3%	67.0%
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

TOWN OF EDEN, NEW YORK
Schedule of the Town's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	280,691	240,544	198,832	180,859	213,644	200,671	196,385	193,446	\$ 188,895	\$ 193,344
Contributions in relation to the contractually required contribution	<u>(280,691)</u>	<u>(240,544)</u>	<u>(198,832)</u>	<u>(180,859)</u>	<u>(213,644)</u>	<u>(200,671)</u>	<u>(196,385)</u>	<u>(193,446)</u>	<u>(188,895)</u>	<u>(193,344)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,784,885	\$ 1,689,791	\$ 1,640,032	\$ 1,533,133	\$ 1,436,300	\$ 1,329,192	\$ 1,412,198	\$ 1,369,710	\$ 1,315,369	\$ 1,280,180
Contributions as a percentage of covered payroll	15.7%	14.2%	12.1%	11.8%	14.9%	15.1%	13.9%	14.1%	14.4%	15.1%

TOWN OF EDEN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 1,056,151	\$ 1,056,151	\$ 1,056,945	\$ 794
Real property tax items	12,000	12,000	11,307	(693)
Non-property tax items	1,386,000	1,386,000	1,480,042	94,042
Departmental income	269,565	337,442	362,525	25,083
Intergovernmental charges	8,500	8,500	8,500	-
Use of money and property	59,160	59,160	82,577	23,417
Sale of property and compensation for loss	-	626	626	-
Licenses and permits	55,000	55,000	73,869	18,869
Fines and forfeitures	96,000	103,700	120,469	16,769
Miscellaneous	42,000	29,224	35,519	6,295
State aid	132,000	174,000	189,884	15,884
Total revenues	<u>3,116,376</u>	<u>3,221,803</u>	<u>3,422,263</u>	<u>200,460</u>
EXPENDITURES				
Current:				
General government support	1,034,783	1,103,345	1,080,193	23,152
Public safety	830,725	950,759	939,572	11,187
Health	169,120	199,208	199,208	-
Transportation	152,924	152,924	151,978	946
Economic assistance and opportunity	44,500	34,877	28,590	6,287
Culture and recreation	406,883	451,348	400,393	50,955
Home and community services	40,415	72,647	66,379	6,268
Employee benefits	598,400	598,400	592,166	6,234
Debt service:				
Principal	15,000	15,000	15,000	-
Interest and fiscal charges	2,475	2,475	2,475	-
Total expenditures	<u>3,295,225</u>	<u>3,580,983</u>	<u>3,475,954</u>	<u>105,029</u>
(Deficiency) of revenues over expenditures	<u>(178,849)</u>	<u>(359,180)</u>	<u>(53,691)</u>	<u>305,489</u>
OTHER FINANCING (USES)				
Transfers out	<u>(100,000)</u>	<u>(101,348)</u>	<u>(102,175)</u>	<u>(827)</u>
Total other financing (uses)	<u>(100,000)</u>	<u>(101,348)</u>	<u>(102,175)</u>	<u>(827)</u>
Net change in fund balances*	(278,849)	(460,528)	(155,866)	304,662
Fund balances—beginning	<u>2,340,673</u>	<u>2,340,673</u>	<u>2,340,673</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,061,824</u>	<u>\$ 1,880,145</u>	<u>\$ 2,184,807</u>	<u>\$ 304,662</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF EDEN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Highway Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 1,460,988	\$ 1,460,988	\$ 1,462,119	\$ 1,131
Real property tax items	-	-	10,002	10,002
Non-property tax items	70,000	80,000	80,000	-
Intergovernmental charges	155,000	168,556	172,533	3,977
Use of money and property	19,000	19,000	31,353	12,353
Sale of property and compensation for loss	-	35,965	36,615	650
Miscellaneous	-	32,686	33,049	363
State aid	<u>255,000</u>	<u>255,000</u>	<u>271,496</u>	<u>16,496</u>
Total revenues	<u>1,959,988</u>	<u>2,052,195</u>	<u>2,097,167</u>	<u>44,972</u>
EXPENDITURES				
Current:				
Transportation	1,657,500	2,023,263	1,978,111	45,152
Employee benefits	<u>337,000</u>	<u>347,000</u>	<u>333,287</u>	<u>13,713</u>
Total expenditures	<u>1,994,988</u>	<u>2,370,751</u>	<u>2,311,886</u>	<u>58,865</u>
(Deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>(318,556)</u>	<u>(214,719)</u>	<u>103,837</u>
OTHER FINANCING (USES)				
Transfers out	<u>(165,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing (uses)	<u>(165,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances*	(200,000)	(318,556)	(214,719)	103,837
Fund balances—beginning	<u>1,239,346</u>	<u>1,239,346</u>	<u>1,239,346</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,039,346</u>	<u>\$ 920,790</u>	<u>\$ 1,024,627</u>	<u>\$ 103,837</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF EDEN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Fire District Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 522,455	\$ 522,455	\$ 522,455	\$ -
Intergovernmental charges	-	-	250	250
Use of money and property	-	-	29,418	29,418
Miscellaneous	-	-	2,644	2,644
State aid	-	100,000	100,000	-
Total revenues	<u>522,455</u>	<u>622,455</u>	<u>654,767</u>	<u>32,312</u>
EXPENDITURES				
Current:				
Public safety	252,182	423,059	410,607	12,452
Employee benefits	700	780	777	3
Debt service:				
Principal	60,000	60,000	60,000	-
Interest and fiscal charges	2,565	2,565	2,565	-
Total expenditures	<u>315,447</u>	<u>486,404</u>	<u>473,949</u>	<u>12,455</u>
Excess of revenues over expenditures	<u>207,008</u>	<u>136,051</u>	<u>180,818</u>	<u>44,767</u>
OTHER FINANCING (USES)				
Transfers out	<u>(208,500)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing (uses)	<u>(208,500)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances*	(1,492)	86,051	130,818	44,767
Fund balances—beginning	<u>1,274,874</u>	<u>1,274,874</u>	<u>1,274,874</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,273,382</u>	<u>\$ 1,360,925</u>	<u>\$ 1,405,692</u>	<u>\$ 44,767</u>

* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF EDEN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Water District Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 887,504	\$ 887,504	\$ 887,504	\$ -
Departmental income	-	7,339	7,359	20
Intergovernmental charges	1,455	1,455	1,455	-
Use of money and property	-	-	19,320	19,320
Total revenues	<u>888,959</u>	<u>896,298</u>	<u>915,638</u>	<u>19,340</u>
EXPENDITURES				
Current:				
Home and community services	111,739	118,079	118,079	-
Debt service:				
Principal	383,195	385,001	385,000	1
Interest and fiscal charges	<u>394,025</u>	<u>395,376</u>	<u>395,375</u>	<u>1</u>
Total expenditures	<u>888,959</u>	<u>898,456</u>	<u>898,454</u>	<u>2</u>
Net change in fund balances	-	(2,158)	17,184	19,342
Fund balances—beginning	<u>879,697</u>	<u>879,697</u>	<u>879,697</u>	<u>-</u>
Fund balances—ending	<u>\$ 879,697</u>	<u>\$ 877,539</u>	<u>\$ 896,881</u>	<u>\$ 19,342</u>

The note to the required supplementary information is an integral part of this schedule.

TOWN OF EDEN, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Refuse and Garbage District Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 772,730	\$ 772,730	\$ 772,730	\$ -
Departmental income	4,750	4,750	13,901	9,151
Use of money and property	7,000	7,000	9,853	2,853
Total revenues	<u>784,480</u>	<u>784,480</u>	<u>796,484</u>	<u>12,004</u>
EXPENDITURES				
Current:				
General governmental support	212	212	212	-
Home and community services	788,372	819,722	814,791	4,931
Total expenditures	<u>788,584</u>	<u>819,934</u>	<u>815,003</u>	<u>4,931</u>
Net change in fund balances*	(4,104)	(35,454)	(18,519)	7,073
Fund balances—beginning	<u>210,558</u>	<u>210,558</u>	<u>210,558</u>	<u>-</u>
Fund balances—ending	<u>\$ 206,454</u>	<u>\$ 175,104</u>	<u>\$ 192,039</u>	<u>\$ 7,073</u>

* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF EDEN, NEW YORK
Note to the Required Supplementary Information
Year Ended December 31, 2025

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America for all governmental funds, with the exception of the Capital Projects Fund and Special Purpose Fund. The Capital Projects Fund and Special Purpose Fund do not have appropriated budgets since there are other means to control the use of these resources (e.g., grant awards) and sometimes span a period of more than one year.

The appropriated budget is prepared by fund, function and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the Town's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances, if any, are disclosed in the notes to the financial statements. The General Fund, Fire District Fund and Refuse and Garbage District Fund original budgets for the year ended December 31, 2025 included encumbrances from the prior year of \$1,849, \$1,492 and \$4,104, respectively.

Excess Expenditures over Appropriations—The Town's General Fund incurred expenditures for the year ended December 31, 2025 which exceeded the final budgeted appropriations as follows:

- General Fund—Transfers out—The \$827 variance is related to higher than expected transfers to help cover the costs for park and recreation improvements.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

SUPPLEMENTARY INFORMATION

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

TOWN OF EDEN, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2025

	Special Revenue			Total
	Drainage	Special Purpose	Street Lighting	Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 34,287	\$ 77,535	\$ 26,886	\$ 138,708
Total assets	<u>\$ 34,287</u>	<u>\$ 77,535</u>	<u>\$ 26,886</u>	<u>\$ 138,708</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 2,535	\$ 2,535
Intergovernmental payables	-	-	976	976
Total liabilities	<u>-</u>	<u>-</u>	<u>3,511</u>	<u>3,511</u>
FUND BALANCES				
Assigned:				
Specific use	34,287	77,535	23,375	135,197
Total fund balances	<u>34,287</u>	<u>77,535</u>	<u>23,375</u>	<u>135,197</u>
Total liabilities and fund balances	<u>\$ 34,287</u>	<u>\$ 77,535</u>	<u>\$ 26,886</u>	<u>\$ 138,708</u>

TOWN OF EDEN, NEW YORK
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2025

	<u>Drainage</u>	<u>Special Purpose</u>	<u>Street Lighting</u>	<u>Total Nonmajor Funds</u>
REVENUES				
Real property taxes	\$ 800	\$ -	66,561	\$ 67,361
Real property tax items	-	-	471	471
Use of money and property	<u>642</u>	<u>1,372</u>	<u>786</u>	<u>2,800</u>
Total revenues	<u>1,442</u>	<u>1,372</u>	<u>67,818</u>	<u>70,632</u>
EXPENDITURES				
Current:				
Transportation	-	-	32,503	32,503
Debt service:				
Principal	-	-	31,000	31,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>3,487</u>	<u>3,487</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>66,990</u>	<u>66,990</u>
Net change in fund balances	1,442	1,372	828	3,642
Fund balances—beginning	<u>32,845</u>	<u>76,163</u>	<u>22,547</u>	<u>131,555</u>
Fund balances—ending	<u>\$ 34,287</u>	<u>\$ 77,535</u>	<u>\$ 23,375</u>	<u>\$ 135,197</u>

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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

Honorable Town Board
Town of Eden, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Eden, 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, and have issued our report thereon dated May 13, 2026.

Report On Internal Control Over Financial Reporting

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

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

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

Report On Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher + Maleki LLP

May 13, 2026