

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT**

To the Town Board
Town of Ulysses
Trumansburg, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ulysses (the Town) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 5, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. During the year ended December 31, 2025, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 102, "Certain Risk Disclosures." Other than the adoption of GASB Statement No. 102, no new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were pension obligations and other postemployment benefit obligations.

Management's estimate of pension obligations is based on information provided by New York State employees' retirement system in accordance with GASB Statement No. 68. Other postemployment benefits obligation estimates are based on actuarial calculations. We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures related to capital assets, long-term debt, pension obligations, and other postemployment benefit obligations, the details of which are described in Notes 4, 5, 7, and 8 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated [Date], 2026.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis; Schedule of Changes in the Town’s Total OPEB Liability and Related Ratios; the Schedule of Town Contributions - NYSLRS Pension Plan; the Schedule of the Town’s Proportionate Share of the Net Pension (Asset)/Liability; the Budgetary Comparison Schedules; and the notes to required supplementary information (RSI), which is required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Balance Sheet - Non-Major Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America; the method of preparing it has not changed from the prior period; and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Town Board and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York

[Date] , 2026

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF JULYSSES

EXECUTIVE SUMMARY

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS



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EXECUTIVE SUMMARY OF 2025 AUDIT REPORT AND FINDINGS

- Auditors' Report on Financial Statements
 - **Unmodified Opinion**
- Auditors' Report on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*
 - **Unmodified Opinion**
- Management Comment Letter
 - **No material weaknesses or significant deficiencies noted**

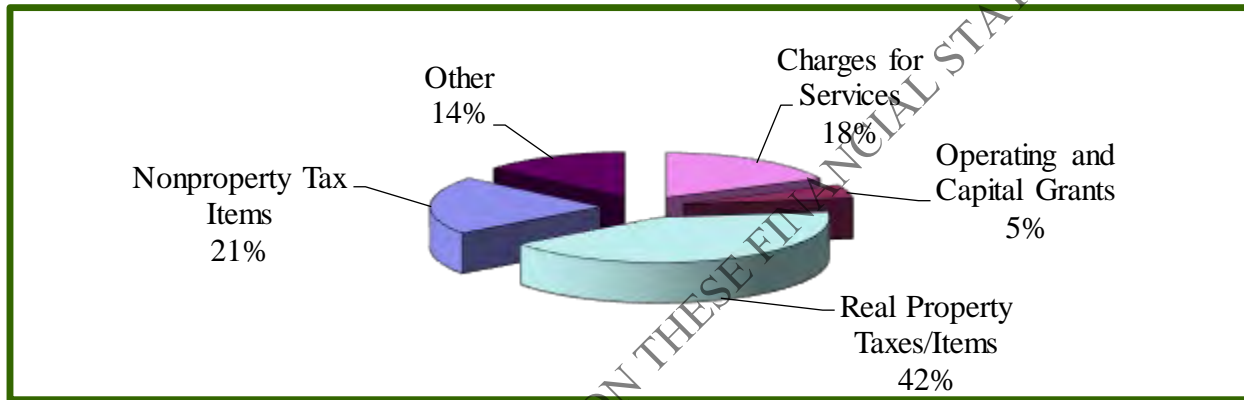
NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

REQUIRED COMMUNICATIONS

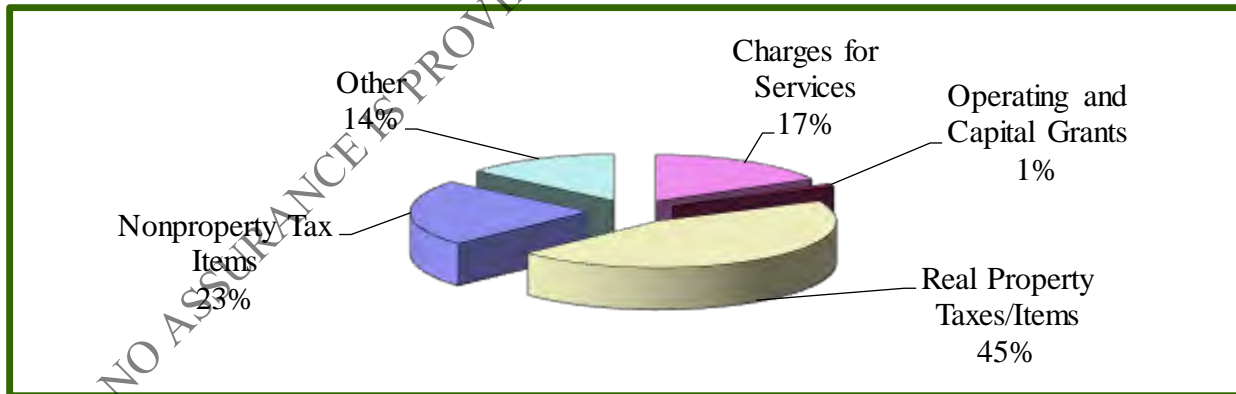
- Communication with Those Charged with Governance at the Conclusion of the Audit. **No comments of concern** to be reported regarding the following:
 - Qualitative Aspects of Accounting Practices
 - Difficulties Encountered in Performing the Audit
 - Corrected and Uncorrected Misstatements
 - Disagreements with Management
 - Management Representations
 - Management Consultations with Other Independent Accountants
 - Other Audit Findings or Issues
 - Other Matters

GOVERNMENTAL ACTIVITIES: REVENUE

2025

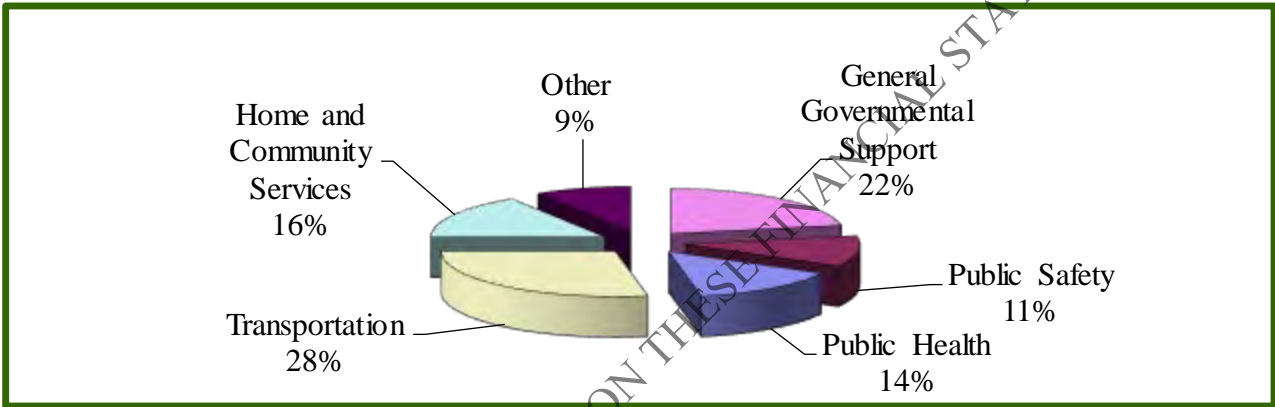


2024

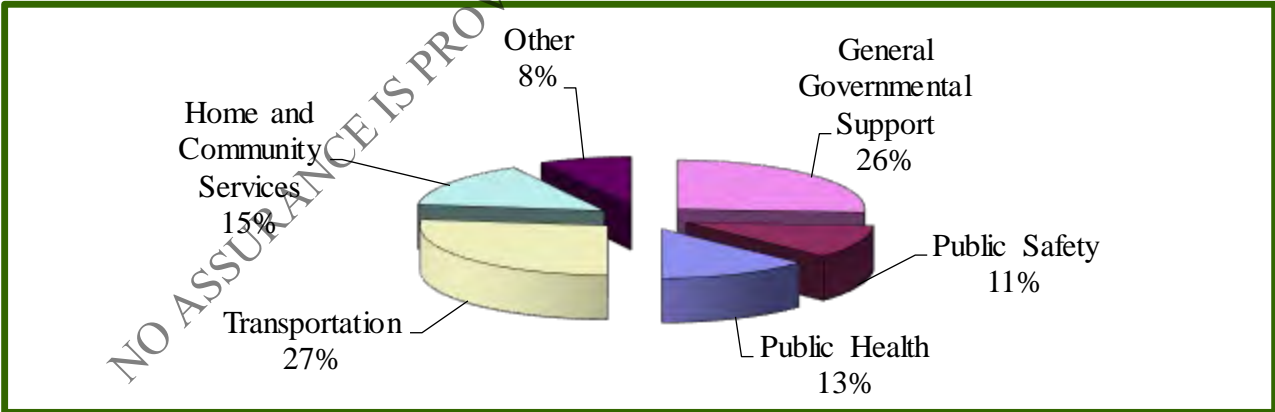


GOVERNMENTAL ACTIVITIES: EXPENSES

2025



2024



NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

ASSETS: GENERAL FUND

	December 31,		
	2025	2024	2023
Assets			
Cash and Investments	\$ 1,374,071	\$ 1,440,397	\$ 1,446,520
Receivables	41,751	69,402	33,248
Prepaid Expenses	23,166	73,249	70,198
Total Assets	\$ 1,438,988	\$ 1,583,048	\$ 1,549,966

LIABILITIES: GENERAL FUND

	December 31,		
	2025	2024	2023
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 28,994	\$ 24,405	\$ 13,277
Other Liabilities	7,124	12,871	10,231
Unearned Revenue	-	229,202	286,450
Total Liabilities	\$ 36,118	\$ 266,478	\$ 309,958

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

FUND BALANCE: GENERAL FUND

	December 31,		
	2025	2024	2023
Fund Balance			
Nonspendable	\$ 23,166	\$ 73,249	\$ 70,198
Restricted	477,121	462,495	453,924
Committed	125,976	96,104	71,639
Assigned	200,000	142,018	205,304
Unassigned	576,607	542,704	438,943
Total Fund Balance	1,402,870	1,316,570	1,240,008
Total Liabilities and Fund Balance	\$ 1,438,988	\$ 1,583,048	\$ 1,549,966

REVENUES: GENERAL FUND

	December 31,		
	2025	2024	2023
Revenues			
Real Property Taxes and Tax Items	\$ 555,005	\$ 474,485	\$ 436,785
State Aid	134,679	117,753	106,515
Other	779,045	591,446	582,622
Total Revenues	\$ 1,468,729	\$ 1,183,684	\$ 1,125,922

EXPENDITURES: GENERAL FUND

	December 31,		
	2025	2024	2023
Expenditures			
General Governmental Support	\$ 792,871	\$ 590,088	\$ 549,218
Transportation	123,680	104,426	93,640
Employee Benefits	157,789	153,256	147,438
Other	308,089	259,352	271,206
Total Expenditures	1,382,429	1,107,122	1,061,502
 Net Change in Fund Balance	 \$ 86,300	 \$ 76,562	 \$ 64,420

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

FUND BALANCE: OTHER GOVERNMENTAL FUNDS

	December 31,		
	2025	2024	2023
General Fund Part-Town	<u>\$ 508,419</u>	<u>\$ 480,672</u>	<u>\$ 463,273</u>
Highway Fund Town-Wide	<u>\$ 1,019,911</u>	<u>\$ 994,459</u>	<u>\$ 999,250</u>
Highway Fund Part-Town	<u>\$ 485,193</u>	<u>\$ 452,603</u>	<u>\$ 395,374</u>
Ambulance Fund	<u>\$ 183,371</u>	<u>\$ 120,024</u>	<u>\$ 149,228</u>
Consolidated Water Fund	<u>\$ 287,745</u>	<u>\$ 198,106</u>	<u>\$ 180,787</u>
Fire Protection Fund	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Capital Projects Fund - Curry Road Culvert Structure	<u>\$ 30,512</u>	<u>\$ 30,512</u>	<u>\$ -</u>

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

CURRENT ACCOUNTING STANDARDS

Current Standards Implemented

- The Town implemented GASB Statement No. 102, “Certain Risk Disclosures,” effective for the year ended December 31, 2025. There was no material effect on the financial statements.

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

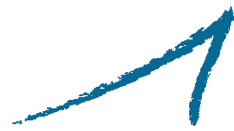
FUTURE ACCOUNTING STANDARDS

Future Accounting Standards

- GASB has issued Statement No. 103, “Financial Reporting Model Improvements,” effective for the year ending December 31, 2026.
- GASB has issued Statement No. 104, “Disclosure of Certain Capital Assets,” effective for the year ending December 31, 2026.
- GASB has issued Statement No. 105, “Subsequent Events,” effective for the year ending December 31, 2027.

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

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS



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Certified Public Accountants



NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

Disclaimer

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We are clients of the RSM Professional Services+ Practice. As a client, we have access to the Professional Services+ Collaborative, a globally connected community that provides access to an ecosystem of capabilities, collaboration, and camaraderie to help professional services firms grow and thrive in a rapidly changing business environment. As a participant in the PS+ Collaborative, we have the opportunity to interact and share best practices with other professional services firms across the U.S. and Canada.



MANAGEMENT COMMENT LETTER

To the Town Board
Town of Ulysses
Trumansburg, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ulysses (the Town) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America (U.S. GAAP), we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing 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 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

This letter does not affect our report dated [Date] , 2026 on the financial statements of the Town of Ulysses.

Town of Ulysses

[Date] , 2026

Page 2

This communication is intended solely for the information and use of management, the Town Board, and others within the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
[Date] , 2026

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF ULYSSES

Trumansburg, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2025**

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF ULYSSES

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NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Ulysses
Trumansburg, 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 Ulysses (the Town) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedules; Schedule of Town's Contributions - NYSLRS Pension Plan; Schedule of the Town's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the Town's Total OPEB Liability and Related Ratios; and related notes be presented to supplement the basic financial statements. Such information, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information 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 [Date] , 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 the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
[Date] , 2026

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Our discussion and analysis of the Town of Ulysses' (the Town) financial performance provide an overview of the Town's financial activities for the fiscal year ended December 31, 2025. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. Please read it in conjunction with the Town's financial statements, which begin on page 5.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5 and 6) provide information about the Town as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Town's operations in more detail than the Government-wide financial statements by providing information about the Town's most significant funds. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains budgetary comparison schedules for the General, General Part-Town, Highway, Highway Part-Town, Ambulance and Consolidated Water Funds; Schedules of the Town's Contributions - NYSLRS Pension Plan; Schedules of the Town's Proportionate Share of the Net Pension (Asset)/Liability; Schedules of Changes in the Town's Total OPEB Liability and Related Ratios; notes to required supplementary information; and statements for those funds that are not considered major funds.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer the question of whether the Town as a whole is better or worse off as a result of the year's activities. These statements include *all* assets and liabilities, as well as deferred outflows and inflows of resources, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. One can think of the Town's net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

In the Statement of Net Position and the Statement of Activities, all of the Town's activities, which are governmental in nature, are reported in one column, including public safety, public health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, charges for service, and state and federal grants finance most of these activities.

Reporting the Town's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the Town's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the Town as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The Town's Governmental funds use the following accounting approach.

All of the Town's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

THE TOWN AS A WHOLE

The Town's *combined* net position for fiscal year ended December 31, 2025 increased by 9.7%. A portion of the Town's net position, \$3,761,051, reflects its net investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Town's Governmental Activities.

*Figure 1
Net Position*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>
	<i>2025</i>	<i>2024</i>	
<i>Current Assets</i>	\$ 2,242,066	\$ 2,341,915	\$ (99,849)
<i>Capital Assets, Net</i>	3,761,051	3,582,418	178,633
<i>Noncurrent Assets</i>	1,772,257	1,598,967	173,290
<i>Total Assets</i>	7,775,374	7,523,300	252,074
<i>Total Deferred Outflows of Resources</i>	400,359	632,780	(232,421)
<i>Current Liabilities</i>	96,301	347,935	(251,634)
<i>Noncurrent Liabilities</i>	1,379,080	1,453,644	(74,564)
<i>Total Liabilities</i>	1,475,381	1,801,579	(326,198)
<i>Total Deferred Inflows of Resources</i>	528,960	726,958	(197,998)
<i>Net Investment in Capital Assets</i>	3,761,051	3,582,418	178,633
<i>Restricted</i>	1,772,257	1,598,967	173,290
<i>Unrestricted</i>	638,084	446,158	191,926
<i>Total Net Position (Deficit)</i>	\$ 6,171,392	\$ 5,627,543	\$ 543,849

Significant changes from the prior year are as follows:

- Current assets decreased due to a decrease in prepaid expenses and State and Federal Aid Receivables
- Capital assets increased due to the purchase of equipment and infrastructure.
- Noncurrent assets increased due to an increase in investments.
- Current liabilities decreased due to spending the remaining American Rescue Plan Act funds.
- Changes in total deferred inflows and outflows of resources relate to changes in actuarial assumptions for the NYSLRS pension plan, as well as the Town's other postemployment benefits plan, as well as differences between expected and actual earnings on the NYSLRS pension plan.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Figure 2 demonstrates the operations of the Town's activities.

Figure 2
Changes in Net Position

Changes in Net Position	Governmental Activities and Total Government		Dollar Change
	2025	2024	
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 694,175	\$ 605,267	\$ 88,908
<i>Operating Grants and Contributions</i>	217,812	38,443	179,369
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	1,549,883	1,372,368	177,515
<i>Real Property Tax Items</i>	144,977	242,398	(97,421)
<i>Nonproperty Tax Items</i>	843,854	807,554	36,300
<i>Use of Money and Property</i>	118,816	129,368	(10,552)
<i>Sale of Property and Compensation for Gain</i>	10,381	52,164	(41,783)
<i>State Sources</i>	191,831	254,769	(62,938)
<i>Federal Sources</i>	229,202	57,248	171,954
<i>Miscellaneous Local Sources</i>	9,299	1,325	7,974
Total Revenues	\$ 4,010,230	\$ 3,560,904	\$ 449,326
PROGRAM EXPENSES			
<i>General Governmental Support</i>	\$ 759,769	839,677	(79,908)
<i>Public Safety</i>	372,236	352,927	19,309
<i>Public Health</i>	487,854	440,255	47,599
<i>Transportation</i>	978,893	907,784	71,109
<i>Economic Assistance and Opportunity</i>	9,225	9,125	100
<i>Culture and Recreation</i>	319,709	271,275	48,434
<i>Home and Community Services</i>	538,695	509,242	29,453
Total Expenses	\$ 3,466,381	\$ 3,330,285	\$ 136,096
CHANGE IN NET POSITION	\$ 543,849	\$ 230,619	\$ 313,230

Governmental Activities

Significant changes from prior year are as follows:

- The Town had an increase in operating grants related to a carryover of funding from 2024 New York State CHIPS to 2025.
- The Town had an increase in charges for services due to an increase in ambulance charges.
- There was a decrease in sale of equipment for the year, resulting in a decrease in sale of property and compensation for gain.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

- Real property taxes increased based on the Town's tax levy.
- Real property tax items decreased tax items decreased due to a decrease in revenue generated from special assessments.
- The Town had an increase in federal sources due to using unspent APRA funds.
- General Governmental support decreased mainly due to less contractual expenditures related to the Capital Projects Fund - Curry Road.
- Transportation increased due to an increase in contractual expenditures relating to Highway Fund.

The cost of all Governmental Activities this year was \$3,466,381. However, as shown in the Statement of Activities, the amount ultimately financed for these activities through Town real property taxes, real property tax items, state revenues, and other local sources was \$2,554,394, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the Town's governmental program revenues, including fees for services and grants, were \$911,987. The Town paid for the remaining "public benefit" portion of Governmental Activities with taxes and other revenues.

THE TOWN'S FUNDS

As the Town completed the year, its Governmental Funds, as presented in the Balance Sheet on page 7, reported a combined fund balance of \$3,918,022, which increased by \$325,075 from last year. This increase stems mainly from revenue exceeding expenditures in the General and Highway Part-Town Funds.

Figure 3 shows the fund balances for the year for the Town's major funds.

**Figure 3
Governmental Funds
Fund Balance at Year Ended December 31,**

Governmental Fund Balance	Governmental Funds and Total Government		Dollar Change
	2025	2024	
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 1,402,870	\$ 1,316,570	\$ 86,300
<i>General Fund Part Town</i>	508,419	480,672	27,747
<i>Highway Fund Town-Wide</i>	1,019,911	994,459	25,452
<i>Highway Fund Part Town</i>	485,193	452,603	32,590
<i>Ambulance Fund</i>	183,371	120,024	63,347
<i>Capital Project Fund</i>	30,512	30,512	-
<i>Non-Major Funds</i>	287,746	198,107	89,639
Totals	\$ 3,918,022	\$ 3,592,947	\$ 325,075

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

General Fund Budgetary Highlights

Over the course of the year, the Town Board and management of the Town revised the Town budget several times. These budget amendments consisted of transfers between functions and increased the overall budget for unanticipated revenues and expenditures.

Resources available for appropriation (revenues and other financing sources) were \$133,704 above the final General Fund budgeted amount. The actual charges to appropriations (expenditures and other financing uses) were below the final General Fund budgeted amount by \$104,614.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2025, the Town had \$10,098,575, net of accumulated depreciation of \$6,337,524 invested in a broad range of capital assets, including buildings, machinery and equipment, and roads and bridges. *Figure 4* shows the changes in the Town's capital assets.

Figure 4
Capital Assets, Net

<i>Changes in Capital Assets, Net</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>
	<i>2025</i>	<i>2024</i>	
<i>Land</i>	\$ 173,569	\$ 173,569	\$ -
<i>Buildings</i>	393,281	436,043	(42,762)
<i>Equipment</i>	690,606	758,497	(67,891)
<i>Infrastructure</i>	2,503,595	2,214,309	289,286
<i>Totals</i>	\$ 3,761,051	\$ 3,582,418	\$ 178,633

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

FUTURE ECONOMIC FACTORS

Total Assessed Valuation (TAV)/ Tax Levy Considerations

In recent years (through 2024) the Town of Ulysses residents saw significant increases in assessed valuation of their property due to the real estate market in the area. However, TAV annual increases are on hold for the next few years. According to the 2020 Census, the largest age group in Ulysses is 65-74. Assuming fixed income, consideration regarding tax levy and cost of living is important for this age group. To that end, the Town Board recently adopted a local law amending income levels for senior exemptions.

Impact of Rising Costs

There are a few categories of rising costs that are significantly impacting the Town budget: Fire and EMS services; Insurance; and Minimum wage.

- **Fire and EMS:** The Town contracts with the Village of Trumansburg to provide Fire protection and Emergency Medical Services for the residents of the Town. In the last three years, Fire and EMS contracts have increased by an average of 8.3%. This level of increase will be difficult to maintain in future years, while keeping the tax levy at or below the level of inflation.
- **Insurance:** Health insurance rates have been increasing by double digits for the last couple of years, rising an average of 13.5% in the last three years. These increases in the cost of health insurance will also have a significant impact on our ability to keep increases in the tax levy at a manageable level.
- **Minimum Wage:** Increases in the minimum wage are impacting our community recreation and youth programs that employ a large number of youth. With youth wages set at the minimum wage, this creates a wage compression scenario at the Town. The Town is then under pressure to consider all other wage rates in relation to the youth wage rates, regardless of market conditions for positions.

In addition to rising costs that are impacting the Town directly, anticipated changes in NYS building code and energy code, along with rising energy costs will have a significant impact on the Town residents and may curtail future new home building and building projects.

Fund Balance Planning

The Town continues to employ (as much as possible) long-term budgeting practices that connects use of fund balance to one-time appropriations. In 2026, the Town adopted a revised fund balance policy that reflects the ongoing work of fund balance planning. Additionally, the Town is assessing the adequacy of reserves in relation to anticipated future projects and impacts.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Capital Projects/Town Infrastructure

The Town is actively addressing the need for culvert repair and replacement, completing a study of existing culverts and their condition. To that end, the Town has applied for and received multiple grant awards to fund the repair and/or replacement of culverts in need of remediation. Awarded grants for projects are Curry Road, Maplewood Road, Agard Road, and Garrett Road. The Town continues to seek grants for the remaining culverts in need of remediation.

The Town has also begun the process of a detailed assessment of Water District 3 infrastructure in order to create a plan for maintenance, repair, and replacement of existing infrastructure. This plan will also create a financial guide for funding reserves and the financial investment needed to maintain effective and efficient services to taxpayers and users in the District.

Comprehensive Planning

The Town's Comprehensive Planning Committee is wrapping up the work of a comprehensive plan revision for 2026. Once approved by the Board, the new comprehensive plan will require review and revision of the Town's local zoning code as well as general planning for the implementation of plan provisions.

Three Falls Local Development Corporation (LDC)

The Town of Ulysses is one of three municipalities participating as members of the Three Falls LDC. The LDC will operate Three Falls State Park as a public park and has engaged in a Park Management Agreement with New York State. The Town expects to utilize this public park space for hosting recreation and youth activities in the future.

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Users of this financial statement may address inquiries to the Town Supervisor or the Town Clerk at the following address: Town of Ulysses, 10 Elm Street, Trumansburg, New York 14886.

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF ULYSSES

STATEMENT OF NET POSITION DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	\$ 1,039,700
Investments - Unrestricted	922,688
Due From State and Federal Governments	30,928
Due From Other Governments	144,113
Other Receivables	54,040
Prepaid Expenses	50,597
Total Current Assets	2,242,066
Noncurrent Assets	
Cash and Cash Equivalents - Restricted	107,230
Investments - Restricted	1,665,027
Land and Other Nondepreciable Capital Assets	173,569
Depreciable Capital Assets	3,587,482
Total Noncurrent Assets	5,533,308
Total Assets	7,775,374
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	239,520
Other Postemployment Benefits	160,839
Total Deferred Outflows of Resources	400,359
LIABILITIES	
Current Liabilities	
Accounts Payable	74,126
Accrued Liabilities	2,551
Unearned Revenue	12,500
Other Liabilities	7,124
Total Current Liabilities	96,301
Noncurrent Liabilities	
Compensated Absences	92,069
Other Postemployment Benefits Liability	872,088
Net Pension Liability - Proportionate Share	414,923
Total Noncurrent Liabilities	1,379,080
Total Liabilities	1,475,381
DEFERRED INFLOWS OF RESOURCES	
Pensions	97,225
Other Postemployment Benefits	431,735
Total Deferred Outflows of Resources	528,960
NET POSITION	
Net Investment in Capital Assets	3,761,051
Restricted	1,772,257
Unrestricted	638,084
Total Net Position	\$ 6,171,392

See Notes to Financial Statements

TOWN OF ULYSSES

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Program Revenues				Net
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense)
					Revenue and Changes in Net Position
					Total
					Government
Government Activities					
General Governmental Support	\$ 759,769	\$ 208,371	\$ -	\$ -	\$ (551,398)
Public Safety	372,236	80,919	-	-	(291,317)
Public Health	487,854	-	-	-	(487,854)
Transportation	978,893	34,740	217,812	-	(726,341)
Economic Assistance and Opportunity	9,225	-	-	-	(9,225)
Culture and Recreation	319,709	370,145	-	-	50,436
Home and Community Services	538,695	-	-	-	(538,695)
Total Primary Government	\$ 3,466,381	\$ 694,175	\$ 217,812	\$ -	(2,554,394)
GENERAL REVENUES					
					1,549,883
Real Property Taxes					144,977
Real Property Tax Items					843,854
Nonproperty Tax Items					118,816
Use of Money and Property					10,381
Sale of Property and Compensation for Loss					191,831
State Sources					229,202
Federal Sources					9,299
Miscellaneous Local Sources					
Total General Revenues					3,098,243
Change in Net Position					543,849
Net Position - Beginning of Year					5,627,543
Net Position - End of Year					\$ 6,171,392

See Notes to Financial Statements

TOWN OF ULYSSES

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2025

	Major Funds					Capital Project Fund - Curry Road	Total Non-Major Governmental Funds	Total Governmental Funds
	Special Revenue Funds							
	General Fund	General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund			
ASSETS								
Cash and Cash Equivalents - Unrestricted	\$ 306,417	\$ 208,161	\$ 145,067	\$ 226,941	\$ 82,407	\$ 27,226	\$ 43,481	\$ 1,039,700
Cash and Cash Equivalents - Restricted	22,587	848	33,438	1,008	-	-	49,349	107,230
Investments - Unrestricted	464,557	151,347	206,082	5,596	50,637	-	44,469	922,688
Investments - Restricted	580,510	105,565	627,536	224,945	-	-	126,471	1,665,027
Due from Other Funds	-	4,231	10,000	-	-	-	-	14,231
Due from State and Federal Governments	-	14,551	-	-	-	16,377	-	30,928
Due from Other Governments	28,266	24,214	12,832	24,770	50,327	-	3,704	144,113
Other Receivables, Net	13,485	9,492	2,073	-	-	-	28,990	54,040
Prepaid Expenses	23,166	9,226	10,147	7,104	-	-	954	50,597
Total Assets	\$ 1,438,988	\$ 527,635	\$ 1,047,175	\$ 490,364	\$ 183,371	\$ 43,603	\$ 297,418	\$ 4,028,554
LIABILITIES								
Accounts Payable	\$ 27,350	\$ 5,809	\$ 27,264	\$ 5,171	\$ -	\$ 3,091	\$ 5,441	\$ 74,126
Accrued Liabilities	1,644	907	-	-	-	-	-	2,551
Due to Other Funds	-	-	-	-	-	10,000	4,231	14,231
Other Liabilities	7,124	12,500	-	-	-	-	-	19,624
Total Liabilities	36,118	19,216	27,264	5,171	-	13,091	9,672	110,532
FUND BALANCES								
Nonspendable	23,166	9,226	10,147	7,104	-	-	954	50,597
Restricted	477,121	106,413	660,974	225,953	-	-	175,820	1,646,281
Committed	125,976	-	-	-	-	-	-	125,976
Assigned	200,000	392,780	348,790	252,136	183,371	30,512	110,972	1,518,561
Unassigned	576,607	-	-	-	-	-	-	576,607
Total Fund Balances	1,402,870	508,419	1,019,911	485,193	183,371	30,512	287,746	3,918,022
Total Liabilities and Fund Balances	\$ 1,438,988	\$ 527,635	\$ 1,047,175	\$ 490,364	\$ 183,371	\$ 43,603	\$ 297,418	\$ 4,028,554

See Notes to Financial Statements

TOWN OF ULYSSES

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2025

Total Governmental Fund Balances **\$ 3,918,022**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost	\$ 10,098,575	
Accumulated Depreciation	(6,337,524)	3,761,051

The Town's proportion of the collective net pension asset or liability is not reported in the funds.

Net Pension Liability - Proportionate Share	(414,923)
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Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources represent an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Inflows of Resources - Pension	\$ (97,225)	
Deferred Inflows of Resources - Other Postemployment Benefits	(431,735)	
Deferred Outflows of Resources - Pension	239,520	
Deferred Outflows of Resources - Other Postemployment Benefits	160,839	(128,601)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Compensated Absences	\$ (92,069)	
Other Postemployment Benefits Liability	(872,088)	(964,157)

Net Position of Governmental Activities **\$ 6,171,392**

See Notes to Financial Statements

TOWN OF ULYSSES

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	Major Funds						Total Non-Major Governmental Funds	Total Governmental Funds
	Special Revenue Funds					Capital Project Fund - Curry Road		
	General Fund	General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund			
REVENUES								
Real Property Taxes	\$ 550,574	\$ -	\$ 318,140	\$ -	\$ 417,854	\$ -	\$ 263,315	\$ 1,549,883
Real Property Tax Items	4,431	-	-	-	-	-	140,546	144,977
Nonproperty Tax Items	213,136	247,063	130,923	252,732	-	-	-	843,854
Departmental Income	205,092	9,769	34,740	-	131,282	-	159,494	540,377
Use of Money and Property	50,671	11,455	34,754	11,736	2,065	-	8,135	118,816
Licenses and Permits	8,108	80,399	-	-	-	-	520	89,027
Fines and Forfeitures	51,613	-	-	-	-	-	-	51,613
Sale of Property and Compensation for Loss	-	-	3,668	-	-	-	-	3,668
Miscellaneous Local Sources	8,065	-	900	-	-	-	334	9,299
Interfund Revenues	13,158	-	-	-	-	-	-	13,158
State Sources	134,679	31,039	-	217,812	-	26,113	-	409,643
Federal Sources	229,202	-	-	-	-	-	-	229,202
Total Revenues	1,468,729	379,725	523,125	482,280	551,201	26,113	572,344	4,003,517
EXPENDITURES								
Current:								
General Governmental Support	792,871	21,005	-	-	-	-	-	813,876
Public Safety	18,134	68,345	-	-	-	-	263,315	349,794
Public Health	-	-	-	-	487,854	-	-	487,854
Transportation	123,680	-	417,119	391,627	-	-	-	932,426
Economic Assistance and Opportunity	9,225	-	-	-	-	-	-	9,225
Culture and Recreation	272,317	-	-	-	-	-	-	272,317
Home and Community Services	8,413	179,137	-	-	-	-	216,979	404,529
Employee Benefits	157,789	83,491	80,554	58,063	-	-	2,411	382,308
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	26,113	-	26,113
Total Expenditures	1,382,429	351,978	497,673	449,690	487,854	26,113	482,705	3,678,442
Excess of Revenues and Other Financing Sources over (Expenditures)	86,300	27,747	25,452	32,590	63,347	-	89,639	325,075
Fund Balances, Beginning of Year	1,316,570	480,672	994,459	452,603	120,024	30,512	198,107	3,592,947
Fund Balances, End of Year	\$ 1,402,870	\$ 508,419	\$ 1,019,911	\$ 485,193	\$ 183,371	\$ 30,512	\$ 287,746	\$ 3,918,022

See Notes to Financial Statements

TOWN OF ULYSSES

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds **\$ 325,075**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized.

Capital Outlay	\$ 589,653	
Net Book Value of Disposed Assets	(55,787)	
Depreciation Expense	<u>(355,233)</u>	178,633

Changes in long-term obligations, including related deferred inflows and deferred outflows of resources, associated with employee benefits, are reported in the Statement of Activities as increases or decreases in expenses. Such changes are not reflected in the Governmental Fund financial statements. The following are the changes reported in the Statement of Activities for these net liabilities.

Compensated Absences	\$ 3,969	
Other Postemployment Benefits Liability	44,194	
Net Pension (Asset)/ Liability - Proportionate Share	26,401	
Deferred Outflows of Resources - OPEB	(60,407)	
Deferred Inflows of Resources - OPEB	19,935	
Deferred Outflows of Resources - Pensions	(172,014)	
Deferred Inflows of Resources - Pensions	<u>178,063</u>	<u>40,141</u>

Change in Net Position of Governmental Activities **\$ 543,849**

NO ASSURANCES PROVIDED ON THESE FINANCIAL STATEMENTS

See Notes to Financial Statements

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 **Summary of Significant Accounting Policies**

The accompanying financial statements of the Town of Ulysses (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. 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.

Financial Reporting Entity

The Town of Ulysses, located in Tompkins County, New York, is governed by Town Law and other general laws of New York State. The Town Council is the legislative body responsible for overall operations, and the Town Supervisor serves as Chief Executive Officer and Chief Fiscal Officer.

The Town provides the following basic services: street maintenance, justice court services, licensing and permits, law enforcement, planning and zoning, recreation, water facilities, community development, emergency management services, and fire protection.

All governmental activities and functions performed for the Town of Ulysses are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following:

- The primary government, which is the Town;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a component unit in the Town's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended. Based on the application of these criteria, no component units have been included in the Town's reporting entity.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Financial Reporting Entity - Continued

Three Falls Local Development Corporation

Three Falls Local Development Corporation (the Corporation) is a local development corporation of New York State as defined in § 1411 and § 201 of the Not-for-Profit Corporation Law. The Corporation is a joint venture undertaken with the Town of Covert and the Village of Trumansburg and operates under the terms of an agreement originally dated March 17, 2023. The Corporation was created to operate and maintain the former Boy Scouts of America Camp Barton property. The New York State Department of Parks, Recreation, and Historic Preservation has purchased the property from the Boy Scouts of America and subsequently licensed the park to the Corporation.

Basic Financial Statements - Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. The focus of the Government-wide financial statements addresses the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Town's functions and programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues: charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Town.

Basic Financial Statements - Governmental Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through Governmental Funds. The measurement focus of Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Town's Governmental Funds:

Major Funds

- General Funds - Principal operating funds which include all operations not required to be recorded in other funds. There are two general funds: one accounting for activity affecting the entire Town (General Town-Wide) and a second which accounts for activity outside the Village of Trumansburg (General Part-Town).
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes.

The following Special Revenue Funds are utilized:

- Highway Town-Wide Fund - Used to account for revenues and expenditures for highway purposes, authorized by §114 of the Highway Law.
- Highway Part-Town Fund - Used to account for revenues and expenditures for highway purposes outside of the Village of Trumansburg, authorized by §114 of the Highway Law.
- Ambulance Fund - Used to account for revenues derived from property taxes assessed in these special districts and the application of such revenues toward related operations and maintenance of the ambulance districts.
- Capital Projects Fund – Curry Road Culvert Replacement Fund – Used to account for financial resources to be used for the replace of the Curry Road Culvert.

Non-Major Funds

- Special Revenue Funds
 - Fire Protection Fund - Used to account for revenues derived from property taxes assessed in these special districts and the application of such revenues toward related operations and maintenance of the fire protection districts.
 - Consolidated Water Fund – Accounts for revenues derived from charges for water consumption and benefited assessments, as well as the application of such revenues toward related operating expenses and debt retirement.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 **Summary of Significant Accounting Policies - Continued**

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the basic financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

Accrual Basis

The Government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis

The Governmental Fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The Town considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when the asset is received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due; and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Budget Policies

No later than September 30, a tentative budget is submitted by the budget officer to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.

All modifications of the budget must be approved by the governing board.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with its prescribed fund's basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Cash and Investments

For financial statement purposes, all highly liquid investments having maturities of three months or less are considered cash equivalents.

Investments

Investments are stated at fair value.

Receivables

Amounts due from state and federal governments represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to state and federal programs. Other receivables represent amounts owed to the Town, which include assessments, sales tax, and other miscellaneous charges. No provision has been made for uncollectible accounts for amounts due from the state and federal governments and other receivables, as it is believed that such amounts would be immaterial.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets purchased or acquired with an original cost of at least \$5,000 and having a useful life of greater than two years are capitalized.

Estimated useful lives for governmental capital assets are as follows:

Buildings	20-45 Years
Machinery and Equipment	5-45 Years
Infrastructure	20-40 Years

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Unearned and Unavailable Revenues

Unearned revenues arise when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements also report unavailable revenues as a deferred inflow of resources when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for unavailable revenues is removed and revenues are recorded.

Accrued Liabilities and Long-Term Obligations

In the governmental funds, payables, and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims, judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported in the Statement of Net Position.

Vacation, Sick Leave, and Compensatory Absences

A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off, (b) other cash payments, such as payment for unused leave upon termination of employment, or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. Examples of compensated absences include vacation leave, sick leave, and other paid time off. The rate at which different leave types are earned, the maximum amount of those leave types allowed to be accumulated, and the eligibility to earn the leave types are generally specified in negotiated labor contracts or are outlined in individual employment contracts. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Retirement Plans

The Town provides retirement benefits for all of its full-time employees and part-time employees who opt to enroll through contributions to the New York State and Local Retirement System. This retirement system is noncontributory except for employees who joined their respective systems after July 27, 1976 and must contribute a percentage of their annual salary. The member contributions are deducted by the Town from the employees' paychecks and are sent monthly to the system. The retirement system computes the cost of retirement benefits based on its respective fiscal year - April 1 through March 31.

Postemployment Benefits.

The Town provides certain health care benefits for retired employees of the Town. The Town administers the Retirement Benefits Plan (the Retirement Plan) as a single employer defined benefit Other Postemployment Benefit Plan (OPEB). In general, the Town provides health insurance coverage for retired employees and their survivors. Substantially all the Town's employees may become eligible for this benefit if they retire with at least 20 years of service to the Town. On the Government-wide statements, amounts attributable to past service have been recorded as a liability.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) plans in the Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 7 and 8, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 7 and 8, respectively.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 Summary of Significant Accounting Policies - Continued

Equity Classifications - Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, payables, or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - Consists of net resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted** - Consists of all other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Equity Classifications - Governmental Fund Financial Statements

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

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government’s highest level of decision-making authority (or their designated body or official). The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government’s General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 **Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

The Town Board may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the Town may be committed for a specific source by formal action of the Town Board. The Town Board, by resolution, approves fund balance appropriations for next year's budget. The Town applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activities between governmental activities are eliminated on the Statement of Net Position and the Statement of Activities.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed for the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balance, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Property Taxes

Real property taxes are levied annually by the Town no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to March 31. County and Town taxes are levied together, and the Town retains its share before turning the remainder to the County. The Town is therefore assured of collection of the total amount of the levy.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources.

In June 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town in a particular year, beginning with the 2012-2013 fiscal year. The growth in annual levy is limited to the lesser of 2% or annual change in the national unadjusted Consumer Price Index for All Urban Consumers - All Items (CPI-U), subject to certain limited exceptions and adjustments.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 1 **Summary of Significant Accounting Policies - Continued**

Property Taxes - Continued

The Town is authorized by New York State General Municipal Law (GML) §3-c to increase its tax levy by a statutorily defined percentage. The Town has the ability to exceed that percentage upon the vote of sixty percent of the Town Board. The Town did not exceed this limit for the December 31, 2026 budget.

Sales Tax

The County of Tompkins currently imposes a sales and use tax. Based on a complex formula, a portion of total revenue collected is allocated annually to the Town in twelve monthly installments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

New Accounting Standards

The Town adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2025:

- GASB has issued Statement No. 102, "Certain Risk Disclosures."

Future Changes in Accounting Standards

- GASB has issued Statement No. 103, "Financial Reporting Model Improvements," effective for the year ending December 31, 2026.
- GASB has issued Statement No. 104, "Disclosure of Certain Capital Assets," effective for the year ending December 31, 2026.
- GASB has issued Statement No. 105, "Subsequent Events," effective for the year ending December 31, 2027.

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

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 2 Cash and Investments

The Town of Ulysses' investment policies are governed by New York State statutes. In addition, the Town of Ulysses has its own written investment policy. Town of Ulysses has deposits in FDIC-insured commercial banks or trust companies located within the State. The Town Supervisor 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 and time deposits and certificates of deposit at 100% of all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, as well as obligations of New York State, its municipalities, and its school districts.

Deposits and investments are categorized as either (1) insured and for which the securities are held by the Town's agent in the Town's name; (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Town's name; or (3) uncollateralized.

Total financial institution (bank) balances at December 31, 2025, per the bank, were \$1,150,867. These deposits are either insured or collateralized in accordance with state statutes and Town investment policies.

The Town categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2025, the Town had the following investments and fair value measurements:

Description	Fund Type	Level	Amount
U.S. Treasury Bills	General Fund	(1)	\$1,045,067
U.S. Treasury Bills	General Fund Part-Town	(1)	256,912
U.S. Treasury Bills	Highway Fund Town-Wide	(1)	833,618
U.S. Treasury Bills	Highway Fund Part-Town	(1)	230,541
U.S. Treasury Bills	Ambulance Fund	(1)	50,637
U.S. Treasury Bills	Consolidated Water Funds	(1)	170,940

The Town does not typically purchase investments for a duration long enough to cause it to believe it is exposed to any material interest rate risk.

The Town does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 2 Cash and Investments - Continued

Restricted Cash and Investments

Restricted cash and investments of \$1,772,257 consists of funds restricted and committed in the Town's reserves.

Note 3 Property Taxes

The 2025 real property tax levy for Town purposes totaled \$1,549,883. The Town is permitted by the constitution of New York State to levy taxes up to 2% of the five year average for assessed valuation for general governmental services other than the payment of debt service and capital expenditures.

Note 4 Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	<u>Balance at December 31, 2024</u>	<u>Additions</u>	<u>Disposals & Reclassifications</u>	<u>Balance at December 31, 2025</u>
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 173,569	\$ -	\$ -	\$ 173,569
Total Non-Depreciable Capital Assets	<u>173,569</u>	<u>-</u>	<u>-</u>	<u>173,569</u>
Depreciable Capital Assets				
Buildings	932,185	-	-	932,185
Machinery and Equipment	1,833,679	135,417	(126,651)	1,842,445
Infrastructure	6,696,140	454,236	-	7,150,376
Total Depreciable Capital Assets	<u>9,462,004</u>	<u>589,653</u>	<u>(126,651)</u>	<u>9,925,006</u>
Total Historical Cost	<u>9,635,573</u>	<u>589,653</u>	<u>(126,651)</u>	<u>10,098,575</u>
Less Accumulated Depreciation				
Buildings	(496,142)	(42,762)	-	(538,904)
Machinery and Equipment	(1,075,182)	(147,521)	70,864	(1,151,839)
Infrastructure	(4,481,831)	(164,950)	-	(4,646,781)
Total Accumulated Depreciation	<u>(6,053,155)</u>	<u>(355,233)</u>	<u>70,864</u>	<u>(6,337,524)</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,582,418</u>	<u>\$ 234,420</u>	<u>\$ (55,787)</u>	<u>\$ 3,761,051</u>

Depreciation expense was allocated to the following functions.

Governmental Activities	
General Governmental Support	\$ 52,017
Transportation	213,919
Culture and Recreation	171
Home and Community Services	<u>89,126</u>
Depreciation Expense	<u><u>\$ 355,233</u></u>

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 5 Long-Term Debt

At December 31, 2025, the Town had no outstanding debt.

Serial Bonds and Installment Purchase Debt

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

Installment Purchase Debt

On December 1, 2021, the Town entered into an installment purchase agreement for a Mack Truck with additional equipment. The historical cost of the capital assets acquired under this lease at December 31, 2025 amounted to \$247,842, with an accumulated depreciation of \$74,353, for a net book value of \$173,489. Depreciation expense of \$24,784 was recorded during the year ended December 31, 2025. The related lease was paid off as of December 31, 2023, which included 2.80% interest, and was paid from the Highway Fund.

Note 6 Compensated Absences

Compensated absences represent unpaid accumulated sick leave, vacation, and sabbatical time.

Activity for the year ended December 31, 2025 consists of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated Absences	<u>\$ 96,038</u>	<u>\$ -</u>	<u>\$ (3,969)</u>	<u>\$ 92,069</u>

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS) (the System)

Employees' Retirement System (ERS)

The Town participates in the New York State and Local Retirement System (the System) which includes the New York State Employees' Retirement System plan (ERS). These plans are cost-sharing multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 System is included in the State's financial report as a pension trust fund. That report, including information with regard 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.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual reports.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS) (the System) - Continued

Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the Program, and were as follows:

	<u>ERS</u>
2025	\$ 106,647
2024	77,399
2023	61,781

Pension (Asset)/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 (asset)/liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2025. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Town's proportionate share of the net pension (asset)/liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the Town by the ERS System.

	<u>ERS</u>
Actuarial Valuation Date	April 1, 2024
Net Pension (Asset)/Liability	\$ 17,145,726,768
Town's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	414,923
Town's Share of the Plan's Total Net Pension (Asset)/Liability	0.0024200%

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS) (the System) - Continued

Pension (Asset)/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2025, the Town recognized pension expense of \$77,884 for ERS in the Government-wide financial statements. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences Between Expected and Actual Experience	\$ 102,987	\$ 4,858
Changes of Assumptions	17,401	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	32,554	-
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	56,229	92,367
Town's Contributions Subsequent to the Measurement Date	30,349	-
Total	\$ 239,520	\$ 97,225

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

Year Ended	ERS
2026	\$ 62,758
2027	101,421
2028	(40,842)
2029	(11,391)
2030	-
Thereafter	-

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2025
Actuarial Valuation Date	April 1, 2024
Investment Rate of Return	5.9%
Salary Increases	4.3%
Cost of Living Adjustments	1.5%
Inflation Rate	2.9%

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.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Actuarial Assumptions - Continued

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 as follows:

Measurement Date	NYSLRS
	March 31, 2025
Asset Class	
Domestic Equity	3.54%
International Equity	6.57%
Private Equity	7.25%
Real Estate	4.95%
Opportunistic/ARS Portfolio	5.25%
Credit	5.40%
Real Assets	5.55%
Fixed Income	2.00%
Cash	0.25%

Discount Rate

The discount rate used to calculate the total pension liability 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 contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,200,841	\$ 414,923	\$ (241,318)

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	
Measurement Date	March 31, 2025	
Employers' Total Pension Liability	\$	247,600,239
Plan Net Position		(230,454,512)
Employers' Net Pension (Asset)/Liability	\$	17,145,727
Ratio of Plan Net Position to the Employers' Total Pension Liability		93.1%

Payable to the Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of December 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through December 31, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2025 amounted to \$-0-.

Current Year Activity

The following is a summary of current year activity:

Governmental Activities	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ 441,324	\$ (26,401)	\$ 414,923
Deferred Outflows of Resources	(411,534)	172,014	(239,520)
Deferred Inflows of Resources	275,288	(178,063)	97,225
Total Effect on Net Position	\$ 305,078	\$ (32,450)	\$ 272,628

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 8 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan

Plan Description

The Town's defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The plan is a single-employer defined benefit healthcare plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided

The Town provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent on which contract each employee falls under.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	5
Inactive Employees Entitled to	
But Not Yet Receiving Benefit Payments	-
Active Employees	<u>12</u>
Total	<u>17</u>

Total OPEB Liability

The Town's total OPEB liability of \$872,088 was measured as of January 1, 2025 and was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	4.08%
Salary Scale	3.50%
Inflation Rate	2.60%
Marriage Rate	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	14.0% for 2025, decreasing to an ultimate rate of 4.04% for 2094 and later years
Cost Method	Entry Age Normal

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under entry age normal and level percent of pay actuarial cost method.

Mortality rates were based on the Pub-2010 Mortality Table for employees, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Termination and retirement rates are based on the New York State and Local Retirement System experience study released by the Retirement Systems Actuary and published in their August 2020 report.

Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions used in the January 1, 2025 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% percent in 2024 to 4.08% in 2025.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2024	\$ 916,282
Changes for the Year	
Service Cost	59,583
Interest Cost	31,305
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(103,920)
Benefit Payments	(31,162)
Net Change	(44,194)
Balance at December 31, 2025	\$ 872,088

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

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

	1% Decrease (2.26%)	Discount Rate (4.08%)	1% Increase (4.26%)
Total OPEB Liability	\$ 1,001,236	\$ 872,088	\$ 766,226

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 745,819	\$ 872,088	\$ 1,033,572

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

For the year ended December 31, 2025, the Town recognized OPEB expense of \$32,935.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,491	\$ 216,735
Changes in Assumptions or Other Inputs	121,691	215,000
Contributions Subsequent to Measurement Date	36,657	-
Total	\$ 160,839	\$ 431,735

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

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

<u>Fiscal Year</u> <u>Ending December 31,</u>	<u>Amount</u>
2026	\$ (47,979)
2027	(63,874)
2028	(69,709)
2029	(37,564)
2030	(31,440)
Thereafter	(56,987)

Current Year Activity

The following is a summary of current year activity:

	<u>Beginning</u> <u>Balance</u>	<u>Change</u>	<u>Ending</u> <u>Balance</u>
OPEB Liability	\$ 916,282	\$ (44,194)	\$ 872,088
Deferred Outflows of Resources	(221,246)	60,407	(160,839)
Deferred Inflows of Resources	451,670	(19,935)	431,735
Total	\$ 1,146,706	\$ (3,722)	\$ 1,142,984

Note 9 Deferred Compensation Plan

The Town maintains a deferred compensation plan in accordance with §457 of the Internal Revenue Code for which Town employees have the option to participate.

Note 10 Summary of Significant Commitments and Contingencies

General Information

The Town is exposed to various risks of loss related, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 10 Summary of Significant Commitments and Contingencies - Continued

State and Federally Assisted Programs

The Town receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The Town makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible the Town will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. Town officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

Financial Concentrations and Constraints

The Town has reviewed its concentrations and constraints in accordance with GASB Statement No. 102, "Certain Risk Disclosures." Based on this review, no events associated with said concentrations or constraints have been identified that are more likely than not to cause a substantial impact requiring additional disclosure.

Note 11 Public Entity Risk Pool

Risk Financing - Health Insurance Plan

The Town participates in a Plan sponsored by the Tompkins County Greater Tompkins Health Consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended December 31, 2025, the Town incurred premiums or contribution expenditures totaling \$166,264. Plan financial statements may be obtained from the Greater Tompkins County Municipal Health Insurance Consortium, at 125 East Court Street, Ithaca, New York, 14850.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 11 Public Entity Risk Pool - Continued

Risk Financing - Workers' Compensation Insurance Plan

The Town participates in a workers' compensation insurance plan sponsored by the NYS Municipal Workers' Comp Alliance. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended December 31, 2025, the Town incurred premiums or contribution expenditures of \$15,988.

Note 12 Interfund Transactions

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources primarily to provide services. The Governmental Funds' financial statements generally reflect such transactions as transfers, whereas the proprietary funds record such transactions as non-operating revenues or expenses. Additionally, the Town generally maintains its cash in few accounts, whereby the Town pools its cash to provide both cash flow and interest income maximization across the Town as a whole. At December 31, 2025 the consolidated Water Fund owed the General Part-Town Fund \$4,231, and the Capital Projects Fund - Curry Road Culver Replacement Fund owes the Highway Town-wide Fund \$10,000.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 13 Fund Balance

Nonspendable, restricted, and assigned fund balance at December 31, 2025 are as follows:

	General Fund	General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund	Capital Project Fund	Non-Major Funds
Nonspendable							
Prepaid Expenses	\$ 23,166	\$ 9,226	\$ 10,147	\$ 7,104	\$ -	\$ -	\$ 954
Total Nonspendable	23,166	9,226	10,147	7,104	-	-	954
Restricted							
Retirement Contribution Reserve	39,071	-	-	-	-	-	-
Capital Projects Reserve	285,732	45,717	601,707	106,820	-	-	58,705
Equipment Reserve	-	25,242	-	-	-	-	10,706
Employee Benefits Accrued Liability Reserve	23,191	23,584	-	-	-	-	-
Repairs Reserve	85,115	-	59,267	119,133	-	-	106,409
Unemployment Insurance Reserve	39,549	11,870	-	-	-	-	-
Tax Stabilization Reserve	4,463	-	-	-	-	-	-
Total Restricted	477,121	106,413	660,974	225,953	-	-	175,820
Committed							
Committed Fund Balance	125,976	-	-	-	-	-	-
Total Committed	125,976	-	-	-	-	-	-
Assigned							
Fund Balance Appropriated for Next Year's Budget	200,000	65,181	80,000	1,910	-	-	-
Remaining Fund Balance	-	327,599	268,790	250,226	183,371	30,512	110,972
Total Assigned	200,000	392,780	348,790	252,136	183,371	30,512	110,972
Total Unassigned Fund Balance	576,607	-	-	-	-	-	-
Total	\$ 1,402,870	\$ 508,419	\$ 1,019,911	\$ 485,193	\$ 183,371	\$ 30,512	\$ 287,746

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Real Property Taxes	\$ 550,574	\$ 550,574	\$ 550,574	\$ -	\$ -
Real Property Tax Items	2,935	2,935	4,431	-	1,496
Nonproperty Tax Items	195,400	195,400	213,136	-	17,736
Departmental Income	214,613	214,613	205,092	-	(9,521)
Use of Money and Property	25,000	25,000	50,671	-	25,671
Licenses and Permits	7,800	7,800	8,108	-	308
Fines and Forfeitures	15,000	15,000	51,613	-	36,613
Miscellaneous Local Sources	40,545	7,000	8,065	-	1,065
Interfund Revenues	13,158	13,158	13,158	-	-
State Sources	40,000	73,545	134,679	-	61,134
Federal Sources	-	230,000	229,202	-	(798)
Total Revenues	<u>1,105,025</u>	<u>1,335,025</u>	<u>1,468,729</u>	<u>-</u>	<u>133,704</u>
EXPENDITURES					
General Governmental Support	626,881	856,381	792,871	-	63,510
Public Safety	18,134	18,134	18,134	-	-
Transportation	119,631	129,631	123,680	-	5,951
Economic Assistance and Opportunity	9,225	9,225	9,225	-	-
Culture and Recreation	296,362	296,862	272,317	-	24,545
Home and Community Services	10,832	10,832	8,413	-	2,419
Employee Benefits	165,978	165,978	157,789	-	8,189
Total Expenditures	<u>1,247,043</u>	<u>1,487,043</u>	<u>1,382,429</u>	<u>-</u>	<u>104,614</u>
Excess of Revenues Over (Expenditures)	<u>(142,018)</u>	<u>(152,018)</u>	<u>86,300</u>	<u>\$ -</u>	<u>\$ 238,318</u>
Appropriated Fund Balance	<u>142,018</u>	<u>152,018</u>			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>86,300</u>		
Fund Balance, Beginning of Year			<u>1,316,570</u>		
Fund Balance, End of Year			<u>\$ 1,402,870</u>		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE GENERAL FUND PART-TOWN - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Nonproperty Tax Items	\$ 226,600	\$ 226,600	\$ 247,063	\$ -	\$ 20,463
Departmental Income	9,962	9,962	9,769		(193)
Use of Money and Property	9,000	9,000	11,455		2,455
Licenses and Permits	52,200	52,200	80,399	-	28,199
State Sources	40,404	40,404	31,039	-	(9,365)
Total Revenues	<u>338,166</u>	<u>338,166</u>	<u>379,725</u>	<u>-</u>	<u>41,559</u>
EXPENDITURES					
General Governmental Support	70,700	70,310	21,005	-	49,305
Public Safety	78,515	78,515	68,345	-	10,170
Home and Community Services	226,104	226,104	179,137	-	46,967
Employee Benefits	85,407	85,797	83,491	-	2,306
Total Expenditures	<u>460,726</u>	<u>460,726</u>	<u>351,978</u>	<u>-</u>	<u>108,748</u>
Excess of Revenues Over (Expenditures)	<u>(122,560)</u>	<u>(122,560)</u>	<u>27,747</u>	<u>\$ -</u>	<u>\$ 150,307</u>
Appropriated Fund Balance	<u>122,560</u>	<u>122,560</u>			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>27,747</u>		
Fund Balance, Beginning of Year			<u>480,672</u>		
Fund Balance, End of Year			<u>\$ 508,419</u>		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE HIGHWAY FUND TOWN-WIDE - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 318,140	\$ 318,140	\$ 318,140	\$ -	\$ -
Nonproperty Tax Items	120,080	120,080	130,923		10,843
Departmental Income	34,740	34,740	34,740		-
Use of Money and Property	9,000	9,000	34,754	-	25,754
Sale of Property and Compensation for Loss	-	-	3,668	-	3,668
Miscellaneous Local Sources	-	-	900	-	900
Total Revenues	<u>481,960</u>	<u>481,960</u>	<u>523,125</u>	<u>-</u>	<u>41,165</u>
EXPENDITURES					
Transportation	479,200	479,200	417,119	-	62,081
Employee Benefits	81,061	81,061	80,554	-	507
Total Expenditures	<u>560,261</u>	<u>560,261</u>	<u>497,673</u>	<u>-</u>	<u>62,588</u>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	<u>(78,301)</u>	<u>(78,301)</u>	<u>25,452</u>	<u>\$ -</u>	<u>\$ 103,753</u>
Additions to Reserves	(6,500)	(6,500)			
Appropriated Fund Balance	<u>84,801</u>	<u>84,801</u>			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>25,452</u>		
Fund Balance, Beginning of Year			<u>994,459</u>		
Fund Balance, End of Year			<u><u>\$ 1,019,911</u></u>		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE HIGHWAY FUND PART-TOWN - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Nonproperty Tax Items	\$ 231,800	\$ 231,800	\$ 252,732	\$ -	\$ 20,932
Use of Money and Property	-	-	11,736		11,736
State Sources	150,000	250,000	217,812		(32,188)
Total Revenues	381,800	481,800	482,280	-	480
EXPENDITURES					
Transportation	337,843	437,843	391,627	-	46,216
Employee Benefits	58,910	58,910	58,063	-	847
Total Expenditures	396,753	496,753	449,690	-	47,063
Excess of Revenues Over (Expenditures)	(14,953)	(14,953)	32,590	\$ -	\$ 47,543
Additions to Reserves	(25,000)	(25,000)			
Appropriated Fund Balance	39,953	39,953			
Net Increase (Decrease)	\$ -	\$ -	32,590		
Fund Balance, Beginning of Year			452,603		
Fund Balance, End of Year			\$ 485,193		

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE AMBULANCE FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Real Property Taxes	\$ 417,854	\$ 417,854	\$ 417,854	\$ -	\$ -
Departmental Income	70,000	70,000	131,282		61,282
Use of Money and Property	-	-	2,065		2,065
Total Revenues	<u>487,854</u>	<u>487,854</u>	<u>551,201</u>	<u>-</u>	<u>63,347</u>
EXPENDITURES					
Public Health	487,854	487,854	487,854	-	-
Total Expenditures	<u>487,854</u>	<u>487,854</u>	<u>487,854</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Expenditures)	<u>-</u>	<u>-</u>	<u>63,347</u>	<u>\$ -</u>	<u>\$ 63,347</u>
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>63,347</u>		
Fund Balance, Beginning of Year			<u>120,024</u>		
Fund Balance, End of Year			<u>\$ 183,371</u>		

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF THE TOWN'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST EIGHT FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 106,647	\$ 77,399	\$ 61,781	\$ 70,981	\$ 71,444	\$ 71,505	\$ 72,462	\$ 69,754
Contributions in Relation to the Contractually Required Contribution	106,647	77,399	61,781	70,981	71,444	71,505	72,462	69,754
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
Town's Covered Employee Payroll for Year Ended December 31,	829,732	707,718	604,220	530,609	537,959	548,905	549,831	555,747
Contributions as a Percentage of Covered Employee Payroll for the Year Ended December 31,	12.9%	10.9%	10.2%	13.4%	13.3%	13.0%	13.2%	12.6%

As information becomes available, this schedule will contain ten years of information.

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/ LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	2025	2024	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net Pension (Asset)/Liability	0.0024200%	0.0029973%	0.0021133%	0.0018630%	0.0019020%	0.0020350%	0.0019364%	0.0020047%
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 414,923	\$ 441,324	\$ 453,182	\$ (152,296)	\$ 1,894	\$ 538,881	\$ 137,202	\$ 64,700
Town's Covered Employee Payroll During the Measurement Period	818,663	670,736	582,048	513,462	546,125	549,831	555,747	527,993
Town's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	50.7%	65.8%	77.9%	29.7%	0.3%	98.0%	24.7%	12.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.1%	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	0.9824
The Following is a Summary of Changes of Assumptions:								
Inflation	2.90%	2.90%	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%
Salary Increases	4.30%	4.40%	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%
Cost of Living Adjustments	1.50%	1.50%	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%
Discount Rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014

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

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service Cost	\$ 59,583	\$ 37,449	\$ 48,379	\$ 59,894	\$ 53,131	\$ 39,083	\$ 48,904	\$ 43,188	\$ *	\$ *
Interest Cost	31,305	43,206	28,314	28,171	32,117	44,414	39,611	39,680	*	*
Changes of Benefit Terms	-	(108,218)	(469)	-	-	-	(8,147)	-	*	*
Differences Between Expected and Actual Experience	-	(267,538)	4,857	(25,787)	-	(141,008)	-	-	*	*
Changes in Assumptions or Other Inputs	(103,920)	106,733	(240,595)	40,800	108,850	172,091	(101,188)	51,574	*	*
Benefit Payments	(31,162)	(38,701)	(46,428)	(45,321)	(43,182)	(36,324)	(38,799)	(38,004)	*	*
	(44,194)	(227,069)	(205,942)	57,757	150,916	78,256	(59,619)	96,438	*	*
Total OPEB Liability - Beginning of Year	916,282	1,143,351	1,349,293	1,291,536	1,140,620	1,062,364	\$ 1,121,983	\$ 1,025,545	*	*
Total OPEB Liability - End of Year	\$ 872,088	\$ 916,282	\$ 1,143,351	\$ 1,349,293	\$ 1,291,536	\$ 1,140,620	\$ 1,062,364	\$ 1,121,983	\$ 1,025,545	\$ *
Covered Employee Payroll	\$ 535,704	\$ 512,539	\$ 534,896	\$ 549,254	\$ 603,775	\$ 442,879	\$ 530,232	\$ 522,146	\$ *	\$ *
Liability as a percentage of Covered Payroll	163%	179%	214%	246%	214%	258%	200%	215%	*	*
The Following is a Summary of Changes of Assumptions:										
Healthcare Cost Trend Rates	14.0% - 4.04%	7.0% - 4.05%	6.5% - 3.94%	7.8% - 3.94%	6.5% - 3.94%	6.5% - 3.94%	5.0% - 3.94%	5.0% - 3.94%	*	*
Salary Increases	3.50%	3.50%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	*	*
Inflation Rate	2.60%	2.60%	2.50%	2.50%	2.20%	2.20%	2.50%	2.20%	*	*
Discount Rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2019	MP-2019	MP-2018	MP-2018	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

TOWN OF ULYSSES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2025

Note 1 Budget Basis of Accounting

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

Note 2 Budget Policies

The budget policies are as follows:

- No later than September 30, a tentative budget is submitted by the budget officer to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed for the General and Special Revenue Funds. Encumbrances are reported as assigned fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Note 3 Reconciliation of the Budget Basis to U.S. GAAP

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are shown in a separate column and are not included in the actual results at December 31, 2025.

Note 4 Schedule of the Town's Contributions - NYSLRS Pension Plan and Schedule of the Town's Proportionate Share of the Net Pension (Asset)/Liability - NYSLRS Pension Plan

Changes in Benefit Terms

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

TOWN OF ULYSSES

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025

	Special Revenue Fund		Total Non-Major Governmental Funds
	Consolidated Water Fund	Fire Protection Fund	
Assets			
Cash and Cash Equivalents - Unrestricted	\$ 43,480	\$ 1	\$ 43,481
Cash and Cash Equivalents - Restricted	49,349	-	49,349
Investments - Unrestricted	44,469	-	44,469
Investments - Restricted	126,471	-	126,471
Due from Other Governments	3,704	-	3,704
Other Receivables, Net	28,990	-	28,990
Prepaid Expenses	954	-	954
Total Assets	\$ 297,417	\$ 1	\$ 297,418
Liabilities			
Accounts Payable	\$ 5,441	\$ -	\$ 5,441
Due to Other Funds	4,231	-	4,231
Total Liabilities	\$ 9,672	\$ -	\$ 9,672
Fund Balances			
Nonspendable	\$ 954	-	\$ 954
Restricted	175,820	-	175,820
Assigned	110,971	1	110,972
Total Fund Balances	\$ 287,745	\$ 1	\$ 287,746

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

TOWN OF ULYSSES

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds		Total Non-Major Governmental Funds
	Consolidated Water Fund	Fire Protection Fund	
REVENUES			
Real Property Taxes	\$ -	\$ 263,315	\$ 263,315
Real Property Tax Items	140,546	-	140,546
Departmental Income	159,494	-	159,494
Use of Money and Property	8,135	-	8,135
Licenses and Permits	520	-	520
Miscellaneous Local Sources	334	-	334
Total Revenues	309,029	263,315	572,344
EXPENDITURES			
Public Safety	-	263,315	263,315
Home and Community Services	216,979	-	216,979
Employee Benefits	2,411	-	2,411
Total Expenditures	219,390	263,315	482,705
Excess of Revenues	89,639	-	89,639
Excess of Revenues and Other Financing Sources			
Excess of Revenues Over (Expenditures)	89,639	-	89,639
Fund Balances, Beginning of Year	198,106	1	198,107
Fund Balances, End of Year	\$ 287,745	\$ 1	\$ 287,746

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

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

To the Town Board
Town of Ulysses
Trumansburg, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Ulysses' (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 [Date] , 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 opinion 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.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
[Date] , 2026

NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS