

FEBRUARY 24, 2025

ERRATUM NOTICE

**TOWN of WAWARSING
ULSTER COUNTY, NEW YORK
(the “Town”)**

**\$2,000,000 Revenue Anticipation Notes, 2025 (Renewals)
(the “Notes”)**

Dated: March 12, 2025

Due: September 25, 2025

Please be advised, “Appendix – C” Estimated Cash Flow Port Ben Extension, was erroneously not included in the Preliminary Official Statement dated February 21, 2025.

The Appendix section herein has been amended to include “Appendix C”.

In addition, the section entitled “CONTINUING DISCLOSURE- Historical Compliance” has been revised to read as follows:

Historical Compliance

Except as noted below, the Town is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On September 28, 2020 the Town entered into a debt obligation through the United States Department of Agriculture, the Town filed a Material Event Notice on November 15, 2020 in connection with the aforementioned debt obligation. This Material Event Notice was not filed within the timeframe prescribed in its existing continuing disclosure undertaking.

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

REVENUE ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will be deemed designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$2,000,000
TOWN OF WAWARSING
ULSTER COUNTY, NEW YORK

\$2,000,000 Revenue Anticipation Notes, 2025 (Renewals)
(the "Notes")

Dated: March 12, 2025

Due: September 25, 2025

The Notes are general obligations of the Town of Wawarsing, Ulster County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein. **The Notes will not be subject to prior redemption.**

At the option of the purchaser, the Notes will be issued in (i) registered certificated form in a single note certificate registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town. Paying agent fees, if any, will be the responsibility of the purchaser should the purchaser choose to engage same.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about March 12, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on February 26, 2025 by no later than 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

February 21, 2025

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS IS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – D – MATERIAL EVENT NOTICES" HEREIN.

TOWN OF WAWARSING ULSTER COUNTY, NEW YORK

TOWN OFFICIALS

TERRY HOUCK
Supervisor

WILLIAM BROWN
MICHAEL MOSCHETTA
JOHNNY FROST
JOSEPH STOECKELER III

GINGER GILLES
Town Bookkeeper

JACQUELINE COLLIER
Town Clerk

WILLIAM COLLIER, ESQ.
Town Attorney



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Town of Wawarsing to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Wawarsing.

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
of the
TOWN OF WAWARSING
ULSTER COUNTY, NEW YORK

Relating To
\$2,000,000 Revenue Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Wawarsing, Ulster County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$2,000,000 Revenue Anticipation Notes, 2025 (Renewals) (referred to herein as the “Notes”).

The factors affecting the Town's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the laws of the State of New York. All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “TAX LEVY LIMITATION LAW” herein.

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness. See “Nature of Obligation” herein.

The Notes are dated March 12, 2025 and will mature on September 25, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser, as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser with principal and interest payable in Federal Funds at the office of the Town Clerk in Wawarsing, New York.

No Optional Redemption

The Notes are to be issued without the option of prior redemption.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State including among others, the Town Law, the Local Finance Law and a revenue anticipation note resolution adopted by the Town Board on July 2, 2024, authorizing the issuance of \$5,600,000 revenue anticipation notes in anticipation of the revenues to be received in anticipation of contractual revenues from New York City related to the New York City water supply due to the Port Ben extension of the Wawarsing Water District.

On September 25, 2024 the Town issued \$5,600,000 bond anticipation notes to mature on March 13, 2025 for the aforementioned purpose. The proceeds of the Notes along with \$3,600,000 available funds of the Town will partially redeem and renew the outstanding revenue anticipation notes that mature on March 13, 2025

Nature of Obligation

Each of the Notes when duly issued and paid for will constitute a contract between the Town and the holder thereof.

Holders of any series of bonds or notes of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes if selected by the purchaser. As such, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of the purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes Under Certain Circumstances

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in fully registered form in a single note certificate. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain not subject to the option of redemption prior to their stated final maturity date as stated herein.

THE TOWN

General Information

The Town, established in 1806, is located in southern Ulster County, between the Shawangunk Mountains (to the east) and the Catskills (to the west). The Town is approximately 90 miles north of New York City and approximately 75 miles south of the City of Albany. The Town is predominantly rural-residential in nature and has a land area of 133 square miles. The Village of Ellenville lies wholly within the Town along with several unincorporated communities.

The scenic landscape of the Town attracts many visitors each year. There are three State Forests within the Town (Shawangunk Ridge, VerNooykill, and Witches Hole), as well as most of Minnewaska State Park and Sam's Point Preserve, and portions of the Catskill Preserve and Sundown State Park.

U.S. Route 209 and New York State Routes 52 and 55 traverse the Town with New York State Route 17 lying south of the Town's border giving area residents access to surrounding areas.

Source: District officials.

Larger Employers

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
NYS Dept. Corrections – Eastern	Correctional Facility	650
NYS Dept. Corrections – Ulster	Correctional Facility	422
Ellenville Central School	Education	275
Walmart	Retail	200
Ellenville Hospital	Medical	170

Source: Town officials.

Population Trends

	<u>Town of Wawarsing</u>	<u>Ulster County</u>	<u>New York State</u>
2000	13,936	177,749	18,976,457
2010	13,157	182,493	19,378,102
2017	12,866	179,417	19,849,399
2018	12,776	178,599	19,542,209
2020	12,765	181,856	20,201,230
2022	12,468	182,319	19,677,151
2023	12,516	182,333	19,571,216

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000 Census report, and the 2006-2010 and 2018-2022 American Community Surveys.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Wawarsing	\$ 18,380	\$ 24,368	\$ 31,584	\$ 50,588	\$ 66,310	\$ 81,443
County of:						
Ulster	28,954	35,816	45,702	70,513	87,034	110,044
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census 2006-2010, 2016-2020, and 2019-2023 5-Year American Community Survey data. 2020-2024 American Community Survey data is not available as of the date of this Official Statement.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is Ulster County. The information set forth below with respect to Ulster County and the State of New York is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that Ulster County or the State is necessarily representative of the Town, or vice versa.

	<u>Annual Averages</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Ulster County	4.5%	3.9%	3.8%	7.7%	4.7%	3.2%	3.4%
New York State	4.7	4.1	4.0	9.8	7.0	4.3	4.2

	<u>2024 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Ulster County	4.1%	4.2%	3.9%	3.4%	3.6%	3.6%	4.1%	3.9%	3.0%	3.1%	3.1%	3.2%
New York State	4.3	4.5	4.2	3.9	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	4.2%	4.1%

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Unemployment rates for January and February 2025 are unavailable as of the date of this Official Statement.

Form of Town Government

The Town is governed by the provisions of the General Municipal Law and the Town Law.

The chief executive officer of the Town is the Supervisor who is elected for a term of four years and is eligible to succeed himself. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four-year terms. Each term is staggered so that every two years the Supervisor and two councilpersons run. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and councilpersons are elected at large.

The Town Board appoints all department heads and non-elected officials.

Budgetary Procedure

The Supervisor prepares a preliminary budget each year, pursuant to the laws of the State of New York, and holds a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum, but the tax levy for all budgets is subject to the provisions of the Tax Levy Limitation Law. See “TAX LEVY LIMITATION LAW” herein.

The Town's 2022 adopted budget included a 0% increase in the property tax levy, which was below the New York State tax levy limit of 2.00%.

The Town's 2023 adopted budget included a 0% increase in the property tax levy, which was below the New York State tax levy limit of 2.00%.

The Town's 2024 adopted budget included a 1.83% increase in the property tax levy, which was below the New York State tax levy limit of 2.00%.

The Town's 2025 adopted budget included a 1.94% increase in the property tax levy, which was below the New York State tax levy limit of 2.00%.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

State Aid

The Town receives financial assistance from the State. In its budget for the 2025 fiscal year, approximately 6.41% of the General Fund revenues of the Town are estimated to be received in the form of State aid.

If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town during its current fiscal year as well as in the future, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS" herein.)

Employees

The Town currently employs 64 full-time and 9 part-time employees. Employees are represented by collective bargaining units as summarized below.

<u>Bargaining Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
IBEW – Highway Landfill	26	December 31, 2025
IBEW – Water Sewer Maint.	9	December 31, 2027

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS"), The ERS is generally also known as the "Common Retirement Fund". The ERS is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the ERS.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For ERS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For ERS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Town's contributions to ERS since 2020, including the 2025 budgeted contribution, are as follows:

<u>Year</u>	<u>ERS</u>
2020	\$ 435,430
2021	452,388
2022	428,979
2023	421,954
2024	460,175
2025 (Budgeted)	559,920

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town offered an early retirement incentive in 2018, in which two employees participated. The Town does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the ERS in the 1990s, the locally required annual contribution declined to near zero. However, with the subsequent decline in the equity markets in the early 2000s, the pension system became underfunded. As a result, required contributions for ERS increased substantially from 1.5% in 2003 to 12.9% in 2005. Wide swings in the contribution rates can result in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2020 to 2024) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>
2020	14.6
2021	14.6
2022	16.2
2023	11.6
2024	13.1
2025	15.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS. For 2014 and 2015 the rate is 12.0% for ERS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Town is not amortizing or smoothing any pension payments, nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the ERS covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the ERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the ERS administrative staff for further information on the latest actuarial valuations of the ERS.

Other Post-Employment Benefits

Healthcare Costs. It should also be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the Town, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), described below, requires such accounting.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to “other post-employment benefits,” meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires municipalities to report Other Post-Employment Benefits (“OPEB”) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

The Town contracted with an actuarial firm to calculate its actuarial valuations under GASB 75. The following outlines the changes to the total OPEB liability during the 2022 and 2023 fiscal year, by source.

	<u>2022</u>	<u>2023</u>
Balance at Beginning of Fiscal Year:	\$ 10,119,483	\$ 7,182,283
<u>Changes for the Year:</u>		
Service cost	\$ 592,428	\$ 313,485
Interest	218,105	319,691
Changes in benefit terms	0	0
Differences between expected and actual experience	(21,841)	(1,201,183)
Changes in assumptions or other inputs	(3,579,897)	192,070
Benefit payments	<u>(145,995)</u> ⁽¹⁾	<u>(158,342)</u> ⁽²⁾
Net Changes	<u>\$ (2,937,200)</u>	<u>\$ (534,279)</u>
Balance at End of Fiscal Year:	<u>\$ 7,182,283</u>	<u>\$ 6,648,004</u>

⁽¹⁾ Based on \$109,904 in explicit benefit payments and \$36,091 in estimated implicit liability benefit payments.

⁽²⁾ Based on \$119,599 in explicit benefit payments and \$38,743 in estimated implicit liability benefit payments.

Source: GASB 75 Actuarial Valuation of the Town. The above tables are not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

The Town unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town finances and could force the Town to reduce services, raise taxes or both.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Town Law and the Local Finance Law.

No principal or interest upon any obligation of the Town is past due.

The fiscal year of the Town is the calendar year.

Other than as provided under the section “Estimated Overlapping Indebtedness,” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The independent audit for the fiscal year ending December 31, 2023 is attached hereto as “APPENDIX – F and has been filed to the Electronic Municipal Market Access (“EMMA”) website.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State. The financial statements of the Town have been prepared on a regulatory basis in conformity with the New York State Accounting and Reporting Manual. The basis of presentation is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America as applied to governmental units. Reference should be made to the Town’s unaudited annual financial report update document for a summary of significant accounting policies.

Beginning with the fiscal year ending December 31, 2003, the Town was required to implement the accounting requirements promulgated by GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Town is currently in compliance with Statement No. 34.

Cooper Arias, LLP, the independent auditor for the Town, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cooper Arias, LLP also has not performed any procedures relating to this Official Statement.

Unaudited Results for the Fiscal Year Ended December 31, 2024

The Town ended the fiscal year ended December 31, 2024 with an estimated unassigned General Fund balance of \$2,362,413.

Summary unaudited information for the General Fund for the period ending December 31, 2023 is as follows:

Revenues:	\$ 3,931,492
Expenditures:	<u>4,182,294</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ (250,802)</u>
Total Fund Balance:	\$ 3,130,602

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom. It is anticipated that the audited financial statements will be available before December 31, 2025.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found on the official website of the Office of the New York State Comptroller.

There are no recent State Comptroller’s audits of the Town, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the below five years for the Town are as follows:

<u>Fiscal Year Ending:</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	6.7
2022	Not Filed ⁽¹⁾	--
2021	No Designation	0.0
2020	No Designation	3.3
2019	No Designation	3.3

⁽¹⁾ The 2022 annual financial report update document (unaudited) was not filed by the August 31, 2023 snapshot date. The 2022 annual financial report update document (unaudited) has since been filed with the Office of the State Comptroller.

Source: Website of the Office of the New York State Comptroller.

For additional details regarding the FSMS, see the State Comptroller's official website. Reference to this website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Valuations

<u>Year of Town Tax Roll:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 1,124,264,699	\$ 1,042,985,578	\$ 1,185,645,079	\$ 1,191,835,502	\$ 1,191,172,078
New York State Equalization Rate	91.00%	81.00%	71.00%	70.00%	71.00%
Total Taxable Full Valuation	\$ 1,235,455,713	\$ 1,287,636,516	\$ 1,669,922,646	\$ 1,702,622,146	\$ 1,677,707,152

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	\$ 2.27	\$ 2.18	\$ 2.17	\$ 2.16	\$ 2.23

Source: Town officials.

Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 8,643,553	\$ 8,678,016	\$ 8,740,715	\$ 9,051,338	\$ 9,361,716
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ The County guarantees collection of taxes. See "Tax Collection Procedure" herein.

Source: Town officials.

Tax Collection Procedure

Taxes and assessments are payable during January without penalty. After February 1, taxes are collected by the Town receiver of taxes until March 31, with a 1% per month penalty. Thereafter, unpaid taxes become the responsibility of the County.

The Town Receiver of Taxes and Assessments collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town prior to distributing the balance collected to the County in April. The Town thereby is assured of 100% tax collections. Responsibility for collecting of unpaid taxes rests with the County.

Larger Taxpayers – 2024 Assessment for 2025 Taxes

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Value</u>
NYC/DEP	Utility	\$384,535,000
Central Hudson	Utility	\$9,093,526
Great Enlightenment Buddhist Inst. Soc. USA	Hotel	\$8,805,300
Wal-Mart	Store/Retail	\$7,794,400
JDRC Ellenville, LLC.	Manufacture	\$6,451,600
New York Stare Land	Forest	\$6,445,000
SR Plaza Equity Partners	Store/Retail	\$5,986,000
1100 Arrowhead Owner, LLC.	Hotel	\$4,500,000
Central Hudson	Utility	\$4,265,487
Sun Jelly-Birchwood NY RV	Camping Park	\$ 4,000,000

The ten taxpayers listed above have a total taxable assessed valuation of 441,876,313, which represents 37.10% of the tax base of the Town. The Town currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

Source: Town officials.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Based on assessed valuation, the assessment roll of the Town is constituted approximately as follows: 64.0% Residential, 6.7% Commercial and 29.3% Various comprised of vacant lands, governmental buildings, industrial buildings, churches, summer camps etc.

The total property tax bill of a \$100,000 residential property located in the Town is approximately \$3,571 including County, Town, Fire District and School District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities’ tax levies.

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The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was to expire on June 15, 2020 unless extended; 2020 legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent (60%) vote of the total voting strength of such body, a local law (or resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the tax levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (a) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (b) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Certain additional restrictions on the amount of the tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of government of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities and school districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected school districts and municipal units of government, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town and the Notes include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the Town to borrow and incur indebtedness, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Town is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Town with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 7,074,500	\$ 6,754,500	\$ 6,429,500	\$ 6,124,500	\$ 5,779,500
Installment Purchase Obligations ⁽¹⁾	546,333	316,022	252,948	29,922	397,756
Bond Anticipation Notes	<u>1,600,000</u>	<u>0</u>	<u>0</u>	<u>7,200,000</u>	<u>9,100,000</u>
Total Debt Outstanding	\$ 9,220,833	\$ 7,070,522	\$ 6,682,448	\$ 13,334,422	\$ 15,277,256

⁽¹⁾ Does not constitute general obligation debt, but does count toward the debt limit.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of February 21, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2054	\$ 5,779,500
<u>Bond Anticipation Notes</u>		
Highway Garage	July 24, 2025	9,100,000
<u>Installment Purchase Contracts</u>		
Equipment	Various	<u>335,500</u>
	Total Debt Outstanding	\$ 15,215,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 21, 2025:

Five-Year Average Full Valuation of Taxable Real Property	<u>\$ 1,514,668,835</u>
Debt Limit – 7% thereof.....	106,026,818

Inclusions:

Bonds.....	\$ 5,779,500
Bond Anticipation Notes.....	9,100,000
Installment Purchase Obligations.....	<u>335,500</u>

Total Inclusions..... \$ 15,215,000

Exclusions:

Water Debt – Bonds ⁽¹⁾	\$ 5,130,000
Appropriations ⁽²⁾	<u>92,255</u>
Total Exclusions.....	<u>\$ 5,222,255</u>

Total Net Indebtedness\$ 9,992,745

Net Debt-Contracting Margin.....\$ 96,034,073 ⁽³⁾

The percent of debt contracting power exhausted is 9.42% ⁽³⁾

⁽¹⁾ Excluded pursuant to Section 124.10 of the Local Finance Law.

⁽²⁾ Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

⁽³⁾ Does not include installment purchase obligations. See “Installment Purchase Obligations” herein.

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Installment Purchase Obligations

The Town has entered into two installment purchase financing agreements in the 2024 fiscal year for the acquisition of equipment as shown below. The purposes, maturities, interest rates, and the amounts outstanding on the installment purchase contracts as of the date of this Official Statement are provided below.

<u>Purpose</u>	<u>Maturity</u>	<u>Rate</u>	<u>Principal Outstanding</u>
Highway Equipment	2027	6.35%	\$ 198,878
Highway Equipment	2027	6.35%	<u>136,622</u>
Total			\$ 335,500

Note: This table is not audited.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

Other than as related to this issuance, the Town has not issued revenue or tax anticipation notes or budget or deficiency notes in the recent past, but is issuing a revenue anticipation note in anticipation of receipt of monies with respect to a water district extension (\$2,000,000) with contractual revenues from New York City related to the New York City water supply.

Authorized but Unissued Items

On May 19, 2022 the Town Board approved a resolution authorizing the issuance of the Town’s \$9,100,000 bonds for the construction of a new highway garage and reconstruction of the existing highway garage. The Town currently has \$9,100,000 bond anticipation notes outstanding for the above mentioned projects which mature on July 24, 2025. Depending on market conditions and project status the Town may permanently finance the outstanding bond anticipation notes upon maturity.

The Town is currently planning a capital project for the Kerhonkson Sewer District. It is anticipated that the Town will issue debt to finance the project through the United States Department of Agriculture. The estimated issuance amount is \$365,000.

Other than as noted above, there are presently no other capital projects authorized and unissued by the Town, nor are any contemplated.

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Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the respective fiscal years of the below municipalities:

<u>Municipality</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of: Ulster	\$ 132,909,442 ⁽⁴⁾	\$ 11,310,620 ⁽²⁾	\$ 121,598,822	5.82%	\$ 7,077,051
School District:					
Ellenville CSD	21,495,000 ⁽⁴⁾	14,251,185 ⁽³⁾	7,243,815	90.10%	6,526,677
Fallsburg CSD	13,690,000 ⁽⁴⁾	11,225,800 ⁽³⁾	2,464,200	2.24%	55,198
Rondout Valley CSD	51,111,977 ⁽⁴⁾	33,478,345 ⁽³⁾	17,633,632	4.58%	807,620
Tri-Valley CSD	3,600,000 ⁽⁴⁾	1,623,600 ⁽³⁾	1,976,400	1.39%	27,472
				Total:	<u>\$ 14,494,019</u>

Notes:

- (1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
- (2) Water and sewer debt and appropriations.
- (3) Estimated State building aid based on current aid ratio.
- (4) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from most recent of; annual financial information & operating data filings and/or official statements of the respective municipality

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of February 21, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary").....	\$ 9,992,745	\$ 798.40	0.60%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	24,486,764	1,956.44	1.46%

(a) The 2023 estimated population of the Town is 12,516. (See "Population Trends" herein.)

(b) The Town's full value of taxable real estate for the 2025 tentative assessment roll is \$1,677,707,152. (See "Valuations" herein.)

(c) The Town's estimated applicable share of net underlying indebtedness is \$14,494,019. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the *Flushing National Bank* case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "THE BONDS - Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt. No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In some years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid".)

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

Cybersecurity. The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12" or the "Rule"), the Town will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – D".

Historical Compliance

Except as noted below, the Town is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On September 28, 2020 the Town entered into a debt obligation through the United States Department of Agriculture, the Town filed a Material Event Notice on November 15, 2020 in connection with the aforementioned debt obligation. This Material Event Notice was not filed within the timeframe prescribed in its existing continuing disclosure undertaking.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The reform legislation is presently under consideration in Congress. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Town to the Municipal Advisor are contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBER

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town; provided, however, the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are not rated. The purchaser of the Notes may choose to have a rating completed after the sale pending the approval of the Town and at the expense of the purchaser, including any fees to be incurred by the Town, as such rating action may result in a material event notification to be posted to EMMA and/or the provision of a supplement to the final Official Statement.

The Town does not currently have an underlying rating on its outstanding general obligation indebtedness.

MISCELLANEOUS

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Town management’s beliefs as well as assumptions made by, and information currently available to, the Town management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town’s files with the repositories. When used in Town documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Town as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town's contact information is as follows: Terry Houck, Town Supervisor, Town of Wawarsing, 108 Canal Street, Wawarsing, New York 12428, Phone: (845) 647-7800 x6, Fax: (845) 647-1046, Email: wawsupervisor@hvc.rr.com.

TOWN OF WAWARSING

Dated: February 21, 2025

TERRY HOUCK
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31st:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>					
Cash	\$ 900,484	\$ 2,147,643	\$ 2,151,553	\$ 2,076,718	\$ 1,543,674
Receivables, Net	50,538	58,466	26,450	45,088	55,183
Prepaid Expenditures	39,315	46,351	41,500	38,000	38,000
Due from State and Federal	24,622	30,000	-	-	95,306
Due from Other Funds	1,675,324	889,310	1,127,053	1,644,733	1,579,255
Due From Other Governments	49,500	150,970	204,871	58,000	57,401
	<u> </u>				
TOTAL ASSETS	<u>\$ 2,739,783</u>	<u>\$ 3,322,740</u>	<u>\$ 3,551,427</u>	<u>\$ 3,862,539</u>	<u>\$ 3,368,819</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 143,635	\$ 70,552	\$ 333,327	\$ 200,768	\$ 154,371
Accrued Liabilities	30,031	48,658	42,824	169,203	29,761
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	11,137	71,783	14,704
Unearned Revenues	-	36,100	36,100	36,100	36,100
Escrow Liabilities	-	-	3,281	3,281	3,281
Due to ERS	-	-	-	-	-
	<u> </u>				
TOTAL LIABILITIES	<u>\$ 173,666</u>	<u>\$ 155,310</u>	<u>\$ 426,669</u>	<u>\$ 481,135</u>	<u>\$ 238,217</u>
 <u>FUND EQUITY</u>					
Nonspendable					
Prepaid Items	\$ 39,315	\$ 46,351	\$ 41,500	\$ 38,000	\$ 38,000
Non-Current Receivables	527,851	454,279	684,590	438,695	486,082
Restricted:					
Capital	-	-	-	-	-
Assigned					
Appropriated	106,410	173,320	322,324	488,832	641,255
Unappropriated	-	-	-	-	-
Unassigned	1,892,541	2,493,480	2,076,344	2,415,877	1,965,265
	<u> </u>				
TOTAL FUND EQUITY	<u>2,566,117</u>	<u>3,167,430</u>	<u>3,124,758</u>	<u>3,381,404</u>	<u>3,130,602</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u>\$ 2,739,783</u>	 <u>\$ 3,322,740</u>	 <u>\$ 3,551,427</u>	 <u>\$ 3,862,539</u>	 <u>\$ 3,368,819</u>

Source: Audited financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31st:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 2,711,162	\$ 2,711,162	\$ 2,621,242	\$ 2,574,045	\$ 2,573,415
Other Tax Items	89,093	64,071	113,472	69,127	65,194
Non-Property Taxes	-	-	-	-	-
Departmental Income	350,394	272,762	384,814	369,057	397,092
Intergovernmental Charges	20,000	2,000	20,000	24,000	22,000
Sale of Property and Compensation for Loss	9,291	5,512	112,879	2,276	287
Use of Money and Property	24,441	21,143	23,306	19,153	41,157
Licenses and Permits	2,636	1,985	3,104	2,660	6,588
Fines and Forfeitures	199,920	174,933	229,594	212,666	239,857
Interfund Revenue	-	-	-	-	-
Miscellaneous	226,017	237,544	172,248	231,954	176,804
Revenues from Federal Aid	69,262	30,000	55,723	347,571	101,183
Revenues from State Aid	162,703	159,195	287,081	230,933	307,915
Total Revenues	<u>\$ 3,864,919</u>	<u>\$ 3,680,307</u>	<u>\$ 4,023,463</u>	<u>\$ 4,083,442</u>	<u>\$ 3,931,492</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 3,864,919</u>	<u>\$ 3,680,307</u>	<u>\$ 4,023,463</u>	<u>\$ 4,083,442</u>	<u>\$ 3,931,492</u>
EXPENDITURES					
General Government Support	\$ 1,461,007	\$ 1,487,698	\$ 2,283,289	\$ 1,819,480	\$ 1,825,367
Public Safety	38,277	28,118	27,895	29,621	33,767
Health	14,623	8,074	9,554	68,506	4,319
Transportation	221,492	164,635	224,526	217,647	234,474
Culture and Recreation	653,907	240,809	416,904	603,226	971,272
Home and Community Services	355,711	437,695	420,594	384,627	396,797
Economic Assistance and Opportunity	13,668	32,533	14,000	14,000	6,780
Employee Benefits	713,152	679,432	669,373	737,836	709,518
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 3,471,837</u>	<u>\$ 3,078,994</u>	<u>\$ 4,066,135</u>	<u>\$ 3,874,943</u>	<u>\$ 4,182,294</u>
Other Uses:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>\$ 3,471,837</u>	<u>\$ 3,078,994</u>	<u>\$ 4,066,135</u>	<u>\$ 3,874,943</u>	<u>\$ 4,182,294</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>393,082</u>	<u>601,313</u>	<u>(42,672)</u>	<u>208,499</u>	<u>(250,802)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	2,173,035	2,566,117	3,167,430	3,124,758	3,381,404
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,147</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,566,117</u>	<u>\$ 3,167,430</u>	<u>\$ 3,124,758</u>	<u>\$ 3,381,404</u>	<u>\$ 3,130,602</u>

Source: Audited financial reports of the Town. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31st:

	2023			2024	2025
	Original Budget	Revised Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 2,573,415	\$ 2,573,415	\$ 2,573,415	\$ 2,573,415	\$ 2,665,436
Other Tax Items	100,000	100,000	65,194	100,000	70,000
Non-Property Taxes	-	-	-	-	-
Departmental Income	309,000	339,000	397,092	329,000	369,000
Intergovernmental Charges	20,000	20,000	22,000	30,000	30,000
Sale of Property and Compensation for Loss	1,000	1,000	287	1,000	1,000
Use of Money and Property	15,000	33,000	41,157	107,000	108,000
Licenses and Permits	2,500	2,500	6,588	2,500	2,500
Fines and Forfeitures	170,000	245,000	239,857	180,000	180,000
Interfund Revenue	83,000	-	-	-	-
Miscellaneous	145,000	145,000	176,804	145,000	100,000
Revenues from Federal Aid	40,000	183,000	101,183	100,000	100,000
Revenues from State Aid	128,500	187,000	307,915	178,500	248,500
Total Revenues	\$ 3,587,415	\$ 3,828,915	\$ 3,931,492	\$ 3,746,415	\$ 3,874,436
Other Sources:					
Appropriated Fund Balance	\$ 488,832	\$ 654,832	\$ -	\$ 641,255	\$ 744,220
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	\$ 4,076,247	\$ 4,483,747	\$ 3,931,492	\$ 4,387,670	\$ 4,618,656
EXPENDITURES					
General Government Support	\$ 1,839,320	\$ 1,958,300	\$ 1,825,367	\$ 1,738,053	\$ 1,835,768
Public Safety	37,505	37,505	33,767	38,750	39,500
Health	90,500	90,500	4,319	7,500	5,000
Transportation	264,200	282,700	234,474	253,600	237,500
Culture and Recreation	589,480	917,480	971,272	818,400	763,900
Home and Community Services	429,500	433,000	396,797	388,300	428,000
Economic Assistance and Opportunity	-	6,500	6,780	500	6,500
Employee Benefits	825,742	757,762	709,518	818,567	892,988
Debt Service	-	-	-	324,000	409,500
Total Expenditures	\$ 4,076,247	\$ 4,483,747	\$ 4,182,294	\$ 4,387,670	\$ 4,618,656
Other Uses:					
Interfund Transfers	-	-	-	-	-
Total Expenditures and Other Uses	\$ 4,076,247	\$ 4,483,747	\$ 4,182,294	\$ 4,387,670	\$ 4,618,656
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	-	-	(250,802)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	3,381,404	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 3,130,602	\$ -	\$ -

Source: Audited financial reports and budgets of the Town. This Appendix is not itself audited.

APPENDIX - B
Town of Wawarsing

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	\$325,000	\$46,676.25	\$371,676.25
2026	330,000	45,176.25	375,176.25
2027	330,000	43,601.25	373,601.25
2028	330,000	42,026.25	372,026.25
2029	330,000	40,451.25	370,451.25
2030	330,000	38,876.25	368,876.25
2031	330,000	37,301.25	367,301.25
2032	330,000	35,726.25	365,726.25
2033	340,000	34,151.25	374,151.25
2034	340,000	32,445.00	372,445.00
2035	335,000	30,738.75	365,738.75
2036	335,000	29,032.50	364,032.50
2037	105,000	27,326.25	132,326.25
2038	105,000	25,620.00	130,620.00
2039	105,000	23,913.75	128,913.75
2040	110,000	22,207.50	132,207.50
2041	110,000	20,426.25	130,426.25
2042	110,000	18,645.00	128,645.00
2043	110,000	16,863.75	126,863.75
2044	110,000	15,082.50	125,082.50
2045	110,000	13,301.25	123,301.25
2046	104,500	11,520.00	116,020.00
2047	85,000	9,900.00	94,900.00
2048	85,000	8,718.75	93,718.75
2049	85,000	7,537.50	92,537.50
2050	85,000	6,356.25	91,356.25
2051	90,000	5,175.00	95,175.00
2052	95,000	3,937.50	98,937.50
2053	95,000	2,625.00	97,625.00
2054	95,000	1,312.50	96,312.50
TOTAL	\$5,779,500	\$696,671.25	\$6,476,171.25

**TOWN OF WAWARSING
ULSTER COUNTY, NEW YORK**

2025 - PORT BEN EXTENSION ESTIMATED CASH FLOW

2025 Estimated CASH FLOW	2025		March	April	May	June	2025		August	September	8 MONTH TOTAL				
	February						July								
Beginning Balance:	\$ 2,996,440	\$	\$ 2,505,771	\$	\$ (3,207,694)	\$	\$ (253,566)	\$	\$ (212,388)	\$	\$ (212,388)	\$	\$ (100,963)	\$	\$ (290,553)
Revenues:															
RAN Proceeds	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -
Contractual Revenues from New York City		\$	\$ 490,669	\$	\$ 3,207,694	\$	\$ 253,566	\$	\$ 212,388	\$	\$ 212,388	\$	\$ 100,963	\$	\$ 290,553
Total Revenues	\$ -	\$	\$ 490,669	\$	\$ 3,207,694	\$	\$ 253,566	\$	\$ 212,388	\$	\$ 212,388	\$	\$ 100,963	\$	\$ 290,553
Total Available Cash	\$ 2,996,440	\$	\$ 2,996,440	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -
Disbursements:															
Phase 1 - Port Ben Transmission & Creek Crossing	\$ 29,094	\$	\$ 97,759	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -	\$	\$ -
Phase 2 - Port Ben Local Road Water Distribution Mains	364,235		364,235		111,425		111,425		111,425		-		-		1,062,744
Phase 3 - Individual Water Service Connections	29,867		74,667		74,667		33,489		33,489		33,489		105,580		385,249
Design & Permitting	10,168		10,168		10,168		10,168		10,168		10,168		10,168		71,174
CA/CI	54,806		54,806		54,806		54,806		54,806		54,806		54,806		383,640
Legal/Administrative Fees	2,500		2,500		2,500		2,500		2,500		2,500		-		15,000
Short Term Financing and Administration	-		-		-		-		-		-		120,000		120,000
RAN Repayment	-		5,600,000		-		-		-		-		-		5,600,000
Total Disbursements	\$ 490,669	\$	\$ 6,204,135	\$	\$ 253,566	\$	\$ 212,388	\$	\$ 212,388	\$	\$ 100,963	\$	\$ 290,553	\$	\$ -
Ending Balance:	\$ 2,505,771	\$	\$ (3,207,694)	\$	\$ (253,566)	\$	\$ (212,388)	\$	\$ (212,388)	\$	\$ (100,963)	\$	\$ (290,553)	\$	\$ -
Monthly Change in Cash	\$ (490,669)	\$	\$ (5,713,466)	\$	\$ 2,954,129	\$	\$ 41,178	\$	\$ -	\$	\$ 111,425	\$	\$ (189,591)	\$	\$ 290,553

Note: The cashflow above does not include \$2 million in Revenue Anticipation Note proceeds.

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the Town has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt servc reserves" will be established for the Notes.

With respect to event (d) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Town may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Town determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town’s obligations under its material event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Note to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser at closing.

FORM OF BOND COUNSEL'S OPINION

March 12, 2025

Town of Wawarsing
County of Ulster
State of New York

Re: Town of Wawarsing, Ulster County, New York
\$2,000,000 Revenue Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$2,000,000 Revenue Anticipation Notes, 2025 (Renewals) (the "Obligations"), of the Town of Wawarsing, Ulster County, New York (the "Obligor"), dated March 12, 2025, numbered 1, of the denomination of \$ _____, bearing interest at the rate of ___% per annum, payable at maturity, and maturing September 25, 2025.

The Obligations shall not be subject to redemption prior to maturity.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

**TOWN OF WAWARSING
ULSTER COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Such Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

TOWN OF WAWARSING, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2023

TOWN OF WAWARSING, NEW YORK
 DECEMBER 31, 2023
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INDEPENDENT AUDITORS' REPORT

To the Supervisor and Board Members of
The Town of Wawarsing
Ellenville, New York

Opinions

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

In our opinion, the 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 Wawarsing, New York, as of December 31, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wawarsing, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 of Wawarsing, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 of Wawarsing, New York'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 of Wawarsing, New York's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, on pages 5 through 11 and 54 through 60, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wawarsing, New York's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The schedule of State transportation assistance expended is presented for purposes of additional analysis as required by draft Part 43 NYCRR and is not a required part of the financial statements. The combining and individual non-major fund financial statements, schedule of expenditures of federal awards and schedule of State transportation assistance expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedule of expenditures of federal awards are ~~is~~ fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

The prior year summarized comparative information has been derived from the Town's December 31, 2022 financial statements and, in our report dated January 1, 2024, we expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the Town of Wawarsing, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 of Wawarsing, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
October 31, 2024

TOWN OF WAWARSING

Town of Wawarsing
108 Canal Street
Ellenville, NY 12428

(845) 647-6570

MANAGEMENT DISCUSSION AND ANALYSIS

Town of Wawarsing

Year Ended December 31, 2023

Town of Wawarsing

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2023. This section is a summary of the Town's financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2023 are as follows:

Town – Wide Statements

- The Town's main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 6,872,068	48%	37%
State and Federal Aid	2,500,788	18%	10%
Water & Sewer Charges	1,041,578	7%	6%
Local Grant	2,148,212	15%	38%

- The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Transportation	\$6,272,062	47%	51%
General Government Support	2,516,774	19%	20%
Home and Community Services	2,539,663	19%	19%

- Total net position was \$44,061,923 at December 31, 2023, up \$814,349 from the prior year.

Fund Financial Statements

- The highlights of the activities in the major funds are as follows:

<u>General Fund- Town-Wide</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 2,573,415	65%	63%
General Government Support	1,825,367	44%	47%
Employee Benefits	709,518	17%	19%
Home and Community Services	396,797	9%	10%
Culture and Recreation	971,292	23%	16%

- The General Fund Town-Wide fund balance decreased from \$3,381,404 at December 31, 2022 to \$3,130,602 at December 31, 2023. Of the total fund balance, \$641,255 was appropriated towards the ensuing year’s budget and \$524,082 was in nonspendable form, leaving \$1,965,265 as unassigned.
- The Highway Fund Part-Town had tax revenues of \$3,478,858, which accounted for 81% of its total revenues of \$4,287,386.
- The Sewer Fund revenues consisted primarily of sewer charges (\$627,426/82%) and property taxes (\$136,155/17%).
- The Capital Projects expenditures were related to the following projects:

	<u>2023</u>	<u>2022</u>
Airport	\$ 600,647	\$ 105,437
Highway Barn	4,702,507	269,480
Napanoch Water	2,470	-
Kerhonkson Sewer	814,971	265,618
Kerhonkson Water	-	110
Wawarsing Water District	<u>2,217,823</u>	<u>7,103,873</u>
	<u>\$ 8,338,418</u>	<u>\$ 7,744,518</u>

Using this Comprehensive Annual Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the Town’s finances is “Is the Town better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town’s net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the Town’s financial health is improving or deteriorating. The reader will need to consider other non-financial

factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches.

Governmental Funds

Most of the Town's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee or fiduciary for assets that belong to others. It is the Town's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position and Changes in Fiduciary Net Position" schedule, as the Town may not use these assets to finance its operations.

The Town as a Whole

The following is a comparative analysis of the Town's activities:

NET ASSETS		
Current Assets	\$ 11,725,225	\$ 10,199,578
Net Pension Asset	-	750,702
Capital Assets, Net	<u>58,673,394</u>	<u>52,547,852</u>
Total Assets	<u>70,398,619</u>	<u>63,498,132</u>
Pensions	1,627,216	1,658,914
OPEB Liability	<u>2,433,946</u>	<u>2,857,077</u>
Total Deferred Outflows of Resources	<u>4,061,162</u>	<u>4,515,991</u>
Current Liabilities	10,311,992	3,452,628
Long-Term Liabilities	<u>14,908,034</u>	<u>13,972,584</u>
Total Liabilities	<u>25,220,026</u>	<u>17,425,212</u>
Pensions	126,038	2,618,539
OPEB Liability	<u>5,051,794</u>	<u>4,722,798</u>
Total Deferred Inflow of Resources	<u>5,177,832</u>	<u>7,341,337</u>
Net Investment in Capital Assets	45,318,972	45,865,404
Restricted	483,678	507,421
Unrestricted	<u>(1,740,727)</u>	<u>(3,125,251)</u>
Total Net Position	<u>\$ 44,061,923</u>	<u>\$ 43,247,574</u>
REVENUES		
Real Property Taxes	\$ 6,872,068	\$ 6,872,068
Other Tax Items	65,194	69,127
Non-Property Tax Items	465,285	477,517
Investment Earnings	60,588	13,848
Sale Of Property And Compensation For Loss	24,260	102,463
Premium on Obligations	32,694	-
Miscellaneous Local Sources	199,453	240,127
State Aid	209,545	228,897
Charges For Services	1,862,645	1,946,258
Grants and Contributions	<u>4,441,167</u>	<u>8,678,281</u>
Total Revenues	<u>14,232,899</u>	<u>18,628,586</u>
EXPENDITURES		
General Government Support	2,516,774	2,569,420
Public Safety	469,120	100,600
Health	318,244	360,092
Transportation	6,272,062	6,548,845
Economic Assistance And Opportunity	6,780	14,000
Culture And Recreation	1,111,625	811,612
Home And Community Service	2,539,663	2,398,393
Debt Service	<u>184,282</u>	<u>65,457</u>
Total Expenditures	<u>13,418,550</u>	<u>12,868,419</u>
CHANGE IN NET POSITION	<u>\$ 814,349</u>	<u>\$ 5,760,167</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$14,232,899 and expenditures of \$19,431,922 which resulted in a decrease in fund balance of \$5,199,023.

	<u>2023 Fund Balance</u>	<u>2022 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund-Town-Wide	\$ 3,130,602	\$ 3,381,404	\$ (250,802)
General Fund-Town Outside	1,345,571	1,205,476	140,095
Highway Fund-Part-Town	1,304,624	1,357,957	(53,333)
Capital Projects	(5,735,806)	(967,878)	(4,767,928)
Non-Major Funds	<u>1,507,148</u>	<u>1,774,203</u>	<u>(267,055)</u>
Total Governmental	<u>\$ 1,522,139</u>	<u>\$ 6,751,162</u>	<u>\$ (5,199,023)</u>

BUDGET INFORMATION

The Town's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 54. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the "Supplemental Schedules" beginning on page 63 of the financial statements. All modifications from the original budget have been approved by the Town Board.

Capital Assets

The Town has \$58,673,394 invested in capital assets, net of \$71,198,753 in accumulated depreciation, as of December 31, 2023. Depreciation expense for the year ended December 31, 2023 was \$2,754,599.

Debt

As of December 31, 2023, the Town has \$6,124,500 in outstanding bonds payable and \$29.922 in installment purchase debt outstanding. The Town paid \$49,588 in interest throughout the year.

Contacting the Town’s Financial Management

It is the intent of this report to provide the Town’s citizens, taxpayers, customers, investors and creditors with a general overview of the Town’s finances and to demonstrate the Town’s accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Town of Wawarsing, 108 Canal Street, Ellenville, NY 12428.

Contacting the Component Unit’s Financial Management

The Greater Wawarsing Local Development Corporation (the “Corporation”) was formed by the members of the Town Board of the Town of Wawarsing on January 6, 2009 pursuant to Section 1411 of the New York State Not-For-Profit Corporation Law, which covers local development corporations. The Town of Wawarsing appoints the Board members of the Corporation. The mission of the Corporation is to aid the Town of Wawarsing in growth and development of business concerns by encouraging the development and retention of industry within the Town of Wawarsing, located in Ulster County, New York. The Corporation is reflected as a blended component unit within the Town’s audited financial statements.

The Management’s Discussion and Analysis includes information related to the primary government only, and excludes information related to the component unit. Additional information regarding the component unit of the Town can be obtained by contacting Greater Wawarsing Local Development Corporation, PO Box 46, Ellenville, NY 12428.

TOWN OF WAWARSING, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2022 TOTAL
ASSETS				
Current Assets:				
Cash	\$ 9,097,293	\$ 130,083	\$ 9,227,376	\$ 8,083,467
Cash - Restricted	483,678	198,577	682,255	694,177
Accounts Receivable	126,674	1,240	127,914	85,317
Rents Receivable	230,407	-	230,407	274,656
Due From State and Federal	905,401	-	905,401	242,842
Due From Other Governments	776,872	-	776,872	1,032,895
Prepaid Expenditures	104,900	1,354	106,254	106,217
Current Portion of Mortgage and Notes Receivable - Restricted	-	11,373	11,373	11,037
Total Current Assets	<u>11,725,225</u>	<u>342,627</u>	<u>12,067,852</u>	<u>10,530,608</u>
Non-Current Assets:				
Mortgage and Notes Receivable, net of Current - Restricted	-	8,756	8,756	20,129
Other Assets	-	1,110	1,110	2,000
Net Pension Asset	-	-	-	750,702
Capital Assets, net	<u>58,673,394</u>	<u>-</u>	<u>58,673,394</u>	<u>52,547,852</u>
Total Non-Current Assets	<u>58,673,394</u>	<u>9,866</u>	<u>58,683,260</u>	<u>53,320,683</u>
TOTAL ASSETS	<u>70,398,619</u>	<u>352,493</u>	<u>70,751,112</u>	<u>63,851,291</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	1,627,216	-	1,627,216	1,658,914
OPEB Liability	<u>2,433,946</u>	<u>-</u>	<u>2,433,946</u>	<u>2,857,077</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,061,162</u>	<u>-</u>	<u>4,061,162</u>	<u>4,515,991</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,765,157	4,750	1,769,907	1,194,584
Accrued Liabilities	218,904	-	218,904	246,817
Due to Other Governments	14,704	-	14,704	71,783
Bond Anticipation Note Payable	7,200,000	-	7,200,000	-
Escrow Liabilities	512,058	-	512,058	504,033
Other Liabilities	565,069	-	565,069	565,486
Unearned Revenues	<u>36,100</u>	<u>-</u>	<u>36,100</u>	<u>870,045</u>
Total Current Liabilities	<u>10,311,992</u>	<u>4,750</u>	<u>10,316,742</u>	<u>3,452,748</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>	<u>2022 TOTAL</u>
LIABILITIES				
Non-Current Liabilities				
Due Within One Year:				
Serial Bonds	\$ 345,000	\$ -	\$ 345,000	\$ 325,000
Installment Purchase Debt	29,922	-	29,922	223,026
Total OPEB Liability	160,000	-	160,000	150,000
Due Beyond One Year:				
Serial Bonds	5,779,500	-	5,779,500	6,104,500
Installment Purchase Debt	-	-	-	29,922
Total OPEB Liability	6,488,004	-	6,488,004	7,032,283
Judgments and Claims	(107,245)	-	(107,245)	21,432
Compensated Absences	89,961	-	89,961	86,421
Net Pension Liability	2,122,892	-	2,122,892	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities	14,908,034	-	14,908,034	13,972,584
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	25,220,026	4,750	25,224,776	17,425,332
DEFERRED INFLOWS OF RESOURCES				
Pensions	126,038	-	126,038	2,618,539
OPEB Liability	5,051,794	-	5,051,794	4,722,798
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	5,177,832	-	5,177,832	7,341,337
NET POSITION				
Net Investment in Capital Assets	45,318,972	-	45,318,972	45,865,404
Restricted	483,678	129,037	612,715	725,343
Unrestricted	(1,740,727)	218,706	(1,522,021)	(2,990,134)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 44,061,923	\$ 347,743	\$ 44,409,666	\$ 43,600,613

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>				
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>	<u>2022 TOTAL</u>
GOVERNMENTAL ACTIVITIES									
General Government Support	\$ 2,516,774	\$ 258,595	\$ 1,712	\$ -	\$ (2,256,467)		\$ -	\$ (2,256,467)	\$ (2,110,003)
Public Safety	469,120	125,645	-	-	(343,475)		-	(343,475)	86,816
Health	318,244	3,052	-	-	(315,192)		-	(315,192)	(296,636)
Transportation	6,272,062	81,394	783,416	557,962	(4,849,290)		-	(4,849,290)	(5,429,263)
Economic Assistance and Opportunity	6,780	111,870	-	-	105,090		-	105,090	(11,500)
Culture and Recreation	1,111,625	-	104,247	95,306	(912,072)		-	(912,072)	(644,897)
Home and Community Services	2,539,663	1,282,089	-	2,898,524	1,640,950		-	1,640,950	6,229,560
Debt Service	184,282	-	-	-	(184,282)		-	(184,282)	(65,457)
TOTAL GOVERNMENTAL ACTIVITIES	<u>13,418,550</u>	<u>1,862,645</u>	<u>889,375</u>	<u>3,551,792</u>	<u>(7,114,738)</u>		<u>-</u>	<u>(7,114,738)</u>	<u>(2,241,380)</u>
BUSINESS-TYPE ACTIVITIES									
Greater Wawarsing Local Development Corp.	6,771	784	-	-		(5,987)	-	(5,987)	(5,540)
TOTAL BUSINESS-TYPE ACTIVITIES	<u>6,771</u>	<u>784</u>	<u>-</u>	<u>-</u>		<u>(5,987)</u>	<u>-</u>	<u>(5,987)</u>	<u>(5,540)</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>13,425,321</u>	<u>1,863,429</u>	<u>889,375</u>	<u>3,551,792</u>	<u>(7,114,738)</u>	<u>(5,987)</u>	<u>-</u>	<u>(7,120,725)</u>	<u>(2,246,920)</u>
GENERAL REVENUES									
Real Property Tax					6,872,068	-	-	6,872,068	6,872,068
Other Tax Items					65,194	-	-	65,194	69,127
Non-Property Tax Items					465,285	-	-	465,285	477,517
Use of Money and Property					60,588	350	-	60,938	14,155
Sale Of Property and Compensation For Loss					24,260	341	-	24,601	102,463
Premium on Obligations					32,694	-	-	32,694	-
Miscellaneous Local Sources					199,453	-	-	199,453	240,127
State Aid					209,545	-	-	209,545	228,897
TOTAL GENERAL REVENUES					<u>7,929,087</u>	<u>691</u>	<u>-</u>	<u>7,929,778</u>	<u>8,004,354</u>
CHANGE IN NET POSITION					814,349	(5,296)	-	809,053	5,757,434
TOTAL NET POSITION-									
Beginning of Year					43,247,574	353,039	-	43,600,613	37,843,179
TOTAL NET POSITION-									
End of Year					<u>\$ 44,061,923</u>	<u>\$ 347,743</u>	<u>\$ -</u>	<u>\$ 44,409,666</u>	<u>\$ 43,600,613</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	GENERAL TOWN-WIDE	GENERAL TOWN- OUTSIDE	HIGHWAY PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2022 TOTALS
ASSETS							
Cash	\$ 1,543,674	\$ 1,746,524	\$ 1,383,158	\$ 3,086,422	\$ 1,337,515	\$ 9,097,293	\$ 7,951,547
Cash - Restricted	-	-	4,111	-	479,567	483,678	507,421
Accounts Receivable	55,183	56,957	12,205	-	2,329	126,674	85,317
Rents Receivable	-	-	-	-	230,407	230,407	274,656
Due From Other Funds	1,579,255	-	-	-	-	1,579,255	1,644,733
Due From State and Federal	95,306	-	-	810,095	-	905,401	242,842
Due From Other Governments	57,401	58,850	-	555,207	105,414	776,872	1,032,895
Prepaid Expenditures	<u>38,000</u>	<u>7,400</u>	<u>49,000</u>	<u>-</u>	<u>10,500</u>	<u>104,900</u>	<u>104,900</u>
TOTAL ASSETS	<u>\$ 3,368,819</u>	<u>\$ 1,869,731</u>	<u>\$ 1,448,474</u>	<u>\$ 4,451,724</u>	<u>\$ 2,165,732</u>	<u>\$ 13,304,480</u>	<u>\$ 11,844,311</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 154,371	\$ 7,957	\$ 64,736	\$ 1,455,224	\$ 82,869	\$ 1,765,157	\$ 1,194,464
Accrued Liabilities	29,761	4,145	36,169	-	9,923	79,998	242,605
Due To Other Funds	-	-	42,945	970,518	565,792	1,579,255	1,644,733
Due To Other Government	14,704	-	-	-	-	14,704	71,783
Bond Anticipation Notes Payable	-	-	-	7,200,000	-	7,200,000	-
Escrow Liabilities	-	512,058	-	-	-	512,058	504,033
Other Liabilities	3,281	-	-	561,788	-	565,069	565,486
Unearned Revenues	<u>36,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,100</u>	<u>870,045</u>
TOTAL LIABILITIES	<u>238,217</u>	<u>524,160</u>	<u>143,850</u>	<u>10,187,530</u>	<u>658,584</u>	<u>11,752,341</u>	<u>5,093,149</u>
FUND BALANCES							
Non-spendable:							
Prepaid Items	38,000	7,400	49,000	-	10,500	104,900	104,900
Non-Current Receivables	486,082	-	-	-	-	486,082	438,695
Restricted:							
Capital	-	-	4,111	-	479,567	483,678	507,421
Assigned:							
Appropriated	641,255	63,969	236,952	-	243,516	1,185,692	990,371
Unappropriated	-	1,274,202	1,014,561	32,424	773,565	3,094,752	3,336,885
Unassigned	<u>1,965,265</u>	<u>-</u>	<u>-</u>	<u>(5,768,230)</u>	<u>-</u>	<u>(3,802,965)</u>	<u>1,372,890</u>
TOTAL FUND BALANCES	<u>3,130,602</u>	<u>1,345,571</u>	<u>1,304,624</u>	<u>(5,735,806)</u>	<u>1,507,148</u>	<u>1,552,139</u>	<u>6,751,162</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,368,819</u>	<u>\$ 1,869,731</u>	<u>\$ 1,448,474</u>	<u>\$ 4,451,724</u>	<u>\$ 2,165,732</u>	<u>\$ 13,304,480</u>	<u>\$ 11,844,311</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

		<u>2022</u>
Total Fund Balance – Governmental Funds	\$ 1,552,139	\$ 6,751,162
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2023 are \$129,872,147 and \$71,198,753 respectively.		
	58,673,394	52,547,852
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Serial Bonds	(6,124,500)	
Installment Debt	(29,922)	
Compensated Absences	(89,961)	
Judgments And Claims	<u>107,245</u>	(6,137,138)
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	1,627,216	
Deferred Inflows of Resources	(126,038)	
Net Pension Liability	<u>(2,122,892)</u>	(621,714) (208,923)
Long term asset and liabilities associated with OPEB are not current financial resources or obligations and are not reported in the government funds.		
Deferred Outflows of Resources	2,433,946	
Deferred Inflows of Resources	(5,051,794)	
Total OPEB Liability	<u>(6,648,004)</u>	(9,265,852) (9,048,004)
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.		
	<u>(138,906)</u>	<u>(4,212)</u>
Net Position Of Governmental Activities	<u>\$ 44,061,923</u>	<u>\$ 43,247,574</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	GENERAL TOWN-WIDE	GENERAL TOWN- OUTSIDE	HIGHWAY PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2022 TOTALS
REVENUES							
Real Property Taxes	\$ 2,573,415	\$ -	\$ 3,478,858	\$ -	\$ 819,795	\$ 6,872,068	\$ 6,872,068
Other Tax Items	65,194	-	-	-	-	65,194	69,127
Non-Property Tax Items	-	465,285	-	-	-	465,285	477,517
Departmental Income	397,092	28,827	-	-	541,954	967,873	858,200
Intergovernmental Charges	22,000	-	-	-	499,624	521,624	684,839
Use of Money and Property	41,157	8,740	4,409	7,165	13,308	74,779	28,926
Licenses and Permits	6,588	111,462	-	-	-	118,050	175,475
Fines and Forfeitures	239,857	1,050	-	-	-	240,907	212,666
Sale of Property and Compensation For Loss	287	-	20,703	-	3,270	24,260	102,463
Miscellaneous Local Sources	176,804	-	-	2,148,212	24,361	2,349,377	7,333,212
State Aid	307,915	-	783,416	25,489	-	1,116,820	1,115,393
Federal Aid	101,183	-	-	1,282,785	-	1,383,968	698,700
TOTAL REVENUES	3,931,492	615,364	4,287,386	3,463,651	1,902,312	14,200,205	18,628,586
EXPENDITURES							
General Government Support	1,825,367	23,725	55,212	-	41,351	1,945,655	2,099,659
Public Safety	33,767	250,490	-	-	-	284,257	232,986
Health	4,319	-	-	-	313,925	318,244	360,092
Transportation	234,474	-	3,277,691	-	82,875	3,595,040	3,931,272
Economic Assistance and Opportunity	6,780	-	-	-	-	6,780	14,000
Culture and Recreation	971,272	10,773	-	-	-	982,045	634,894
Home and Community Services	396,797	50,683	-	-	1,096,533	1,544,013	1,514,906
Employee Benefits	709,518	139,598	778,585	-	212,155	1,839,856	1,827,790
Debt Service:							
Principal	-	-	223,026	-	305,000	528,026	627,494
Interest	-	-	6,205	-	43,383	49,588	65,774
Capital Outlay	-	-	-	8,338,418	-	8,338,418	7,744,518
TOTAL EXPENDITURES	4,182,294	475,269	4,340,719	8,338,418	2,095,222	19,431,922	19,053,385
EXCESS (DEFICIENCY) OF REVENUES AND EXPENDITURES	(250,802)	140,095	(53,333)	(4,874,767)	(192,910)	(5,231,717)	(424,799)
OTHER FINANCING SOURCES AND (USES)							
Operating Transfer In	-	-	-	74,145	-	74,145	-
Premiums on Obligation	-	-	-	32,694	-	32,694	-
Operating Transfer Out	-	-	-	-	(74,145)	(74,145)	-
NET CHANGE IN FUND BALANCE	(250,802)	140,095	(53,333)	(4,767,928)	(267,055)	(5,199,023)	(424,799)
FUND BALANCE - Beginning of Year	3,381,404	1,205,476	1,357,957	(967,878)	1,774,203	6,751,162	7,175,961
FUND BALANCE - End of Year	\$ 3,130,602	\$ 1,345,571	\$ 1,304,624	\$ (5,735,806)	\$ 1,507,148	\$ 1,552,139	\$ 6,751,162

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (5,199,023)	\$ (424,799)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(2,754,599)		
Capital Outlay	<u>8,880,141</u>	6,125,542	5,696,218

Proceeds from the sale of capital assets are reported as revenues in the governmental funds. In the statement of activities, the revenues are reduced by the net book value of the disposed assets.

- -

Repayment of principal on bonds and other long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds	305,000		
Installment Debt	<u>223,026</u>	528,026	627,494

In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Current Year Accrued Interest	(138,906)		
Prior Year Accrued Interest	<u>4,212</u>	(134,694)	317

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

(CARRIED FORWARD)

	<u>2023</u>	<u>2022</u>
<p>(Increases) decreases in proportionate share of net pension accruals reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>		
Net Pension Asset	(750,702)	
Net Pension Liability	(2,122,892)	
Deferred Inflows of Resources	(31,698)	
Deferred Outflows of Resources	<u>2,492,501</u>	(412,791)
		382,911
<p>(Increases) decreases in the OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>		
Deferred Outflows of Resources	(423,131)	
Deferred Inflows of Resources	(328,996)	
Total OPEB Liability	<u>534,279</u>	(217,848)
		(519,676)
<p>In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).</p>		
Compensated Absences	(3,540)	
Judgments and Claims	<u>128,677</u>	<u>125,137</u>
		<u>(2,298)</u>
Change in Net Position of Governmental Activities	<u>\$ 814,349</u>	<u>\$ 5,760,167</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

		<u>GREATER WAWARSING LOCAL DEVELOPMENT CORP.</u>
ASSETS		
Current Assets:		
Cash	\$	130,083
Cash - Restricted		198,577
Accounts Receivable		1,240
Prepaid Expenses		1,354
Current Portion of Mortgage and Notes Receivable - Restricted		<u>11,373</u>
 Total Current Assets		 <u>342,627</u>
Non-Current Assets:		
Mortgage and Notes Receivable, net of Current - Restricted		8,756
Other Assets		<u>1,110</u>
 Total Non-Current Assets		 <u>9,866</u>
 TOTAL ASSETS		 <u>352,493</u>
 LIABILITIES		
Current Liabilities		
Accounts Payable		<u>4,750</u>
 Total Current Liabilities		 <u>4,750</u>
 TOTAL LIABILITIES		 <u>4,750</u>
 NET POSITION		
Restricted		218,706
Unrestricted		<u>129,037</u>
 TOTAL NET POSITION	 \$	 <u><u>347,743</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>GREATER WAWARSING LOCAL DEVELOPMENT CORP.</u>
OPERATING REVENUES	
Interest on Mortgages and Notes	784
TOTAL OPERATING REVENUES	784
OPERATING EXPENSES	
General Government Support	6,771
TOTAL OPERATING EXPENSES	6,771
OPERATING INCOME	(5,987)
NON-OPERATING REVENUES(EXPENSES)	
Interest On Investments	350
Sale of Assets (net of cost of sale \$890)	341
TOTAL NON-OPERATING REVENUES (EXPENSES)	691
CHANGE IN NET POSITION	(5,296)
NET POSITION- Beginning	353,039
NET POSITION- Ending	\$ 347,743

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>GREATER WAWARSING_LOCAL DEVELOPMENT CORP.</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Interest Receipts From Mortgages and Notes	\$ 784
Principal Receipts From Mortgages and Notes	11,037
Payments For Contractual And Personal Services	<u>(2,178)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,643</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest On Cash And Cash Equivalents	<u>341</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>341</u>
NET INCREASE IN CASH AND EQUIVALENTS	9,984
CASH AND EQUIVALENTS- Beginning	<u>318,676</u>
CASH AND EQUIVALENTS- Ending	<u>\$ 328,660</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (5,987)
(Increase) Decrease In Notes Receivable	11,037
(Increase) Decrease In Prepaid Expenses	(37)
Increase (Decrease) In Accounts Payable	<u>4,630</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 9,643</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	CUSTODIAL <u>FUND</u>
ASSETS	
Cash	\$ <u> -</u>
TOTAL ASSETS	<u> -</u>
NET POSITION	
Restricted for Individuals, Organizations or Other Governments	<u> -</u>
TOTAL NET POSITION	<u>\$ <u> -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Taxes Collected For Other Governments	\$ 1,868,421
Fines Collected For Other Governments	<u>51,688</u>
TOTAL ADDITIONS	<u>1,920,109</u>
DEDUCTIONS	
Taxes Paid To Other Governments	1,868,421
Fines Paid To Other Governments	<u>51,688</u>
TOTAL DEDUCTIONS	<u>1,920,109</u>
Change in Net Position	-
NET POSITION - Beginning Of Year	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Wawarsing, New York, was established in 1806 and operates in accordance with Town Law and various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation, and the Town Supervisor serves as chief executive and chief financial officer.

The Town provides the following basic services: general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services and general administrative support. These services are provided for in six lighting districts, two water districts, and two sewer districts.

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

The financial reporting entity consists of (a) the primary government which is the Town of Wawarsing, (b) organizations for which the primary government is financially accountable, and (c) 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 as set forth in GASB Statement Number 61.

Greater Wawarsing Local Development Corporation

The Greater Wawarsing Local Development Corporation (the "Corporation") was formed by the members of the Town Board of the Town of Wawarsing on January 6, 2009 pursuant to Section 1411 of the New York State Not-For-Profit Corporation Law, which covers local development corporations. The Town of Wawarsing appoints the Board members of the Corporation. The mission of the Corporation is to aid the Town of Wawarsing in growth and development of business concerns by encouraging the development and retention of industry within the Town of Wawarsing, located in Ulster County, New York. The Corporation is reflected as a blended component unit within the Town's audited financial statements. Additional information regarding the component unit of the Town can be obtained by contacting Greater Wawarsing Local Development Corporation, PO Box 46, Ellenville, NY 12428.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole. These statements include the financial activities of the overall Town, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants. Business types activities are financed by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

The Town reports the following major Governmental Funds:

- a. General Fund - Townwide - The principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major Special Revenue Funds of the Town are as follows:

General Fund – Town Outside – used to account for transactions that affect only those areas outside the boundaries of the Village located within the Town.

Highway Fund - Part Town - used to account for transactions that affect only those areas outside of the Village located within the Town.

Special Districts Fund – used to account for revenues that are raised to provide services to areas that encompass less than the whole Town. The Town reports the following major Special District funds:

- i. Sewer District

- c. Capital Projects Fund – used to account for financial resources to be used for acquisition or construction of major capital facilities.

The Town reports the following non-major Governmental Funds:

- a. Special Revenue Funds

Special Districts Fund – used to account for revenues that are raised to provide services to areas that encompass less than the whole Town. The Town reports the following non-major Special District fund:

- i. Lighting District
ii. Ambulance District
iii. Water District

Miscellaneous Special Revenue Fund – used to account for miscellaneous special activities that benefit the Town.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following non-major Proprietary Fund:

a. Enterprise Fund

Greater Wawarsing Local Development Corporation (“Corporation”) - This fund accounts for all revenues and expenses pertaining to the Corporation, which is used to foster the expansion of jobs and economic opportunity within the Town of Wawarsing. The Corporation is reported as a blended component unit of the Town.

Additionally, the Town reports the following fund type:

a. Fiduciary Fund

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements because their resources do not belong to the Town and are not available to be used.

C. Basis of Accounting/Measurement Focus

The Town-wide, Proprietary and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property Taxes

County real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to June 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Town.

E. Budget Policies

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements.

- a) The head of each administrative unit shall submit to the budget office an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the Office of the Town Clerk on or before September 30th.
- c) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with the law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before the Thursday following the general election, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than November 20th.
- h) Formal budgetary integration is employed during the year as a management control device for the governmental funds.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- i) Budgets for General, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Capital Projects and Community Development Funds are budgeted on a project basis.
- j) The Town Board maintains control of the budget at the function level of expenditure.
- k) Appropriations in the General and Special Revenue Funds lapse at the end of the fiscal year except that outstanding encumbrances are re-appropriated in the succeeding year.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Compensated Absences

Pursuant to the terms of the Town's personnel policies and procedures, all employees are permitted to accumulate unused sick leave. Payment for sick leave is made only upon retirement, and only up to limited amounts. Vacation leave is generally taken in the year earned and may not be carried over without prior approval of the Town Board.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the Town-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and, therefore, are not a fund liability and represent a reconciling item between the fund level and Town-wide presentations.

H. Insurance

The Town of Wawarsing participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Town's estimated share of the liability for unbilled and open claims at December 31, 2023 was a negative \$107,245.

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Post Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their family. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid.

J. Cash and Cash Equivalents

For financial statement purposes, the Town considers all highly liquid investments of three months or less as cash equivalents.

K. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

L. Capital Assets

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is \$5,000. All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings	40
Site Improvements	20
Machinery & Equipment	5-20
Infrastructure	20-50

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Activity

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

N. Equity Classifications

In the Town-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town reported non-spendable fund balances of \$104,900 for prepaid retirement system payments and \$486,082 for non-current receivables as of December 31, 2023.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The Town has established the following restricted fund balances:

Capital

Used to pay the cost of any object or purpose for which bonds may be issued. Permissive referendum is required for either establishment of the reserve or payments from the reserve, depending on which type of capital reserve is set up. These reserves are accounted for in the Highway Fund – Part Town, Water Districts and Sewer Districts.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town’s highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balances as of December 31, 2023.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance. The Town has no assigned fund balance as of December 31, 2023.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Town contributions to the pension systems and OPEB liability subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. The Town reports \$1,627,216 in deferred outflows of resources related to pensions and \$2,433,946 in deferred outflows of resources related to the total OPEB liability as of December 31, 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two item that qualifies for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to OPEB reporting in the district-wide Statement of Net Position.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports \$126,038 deferred inflows of resources related to pensions and \$5,051,794 in deferred inflows of resources related to the total OPEB liability as of December 31, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net decrease of \$1,501,178 to unrestricted net position as of December 31, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to the total OPEB liability resulted in a net decrease of \$2,617,848 to unrestricted net position as of December 31, 2023.

Q. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2023 the Town implemented the following new standards:

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB 96 – *Subscription-Based Information Technology Arrangements*

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023, except for the portion related to financial guarantees and classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending December 31, 2024.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023, except for the portion related to financial guarantees and classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending December 31, 2024.

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for the year ending December 31, 2024

GASB 101 – *Compensated Absences*, effective for the year ending December 31, 2024

GASB 102 – *Certain Risk Disclosures*, effective for the year ending December 31, 2025.

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

S. Operating Revenues of Proprietary Funds

Revenues generated through user fees and grant revenues to cover the annual operating expenses of the proprietary funds are classified as operating revenues. Investment income, grant income for capital purposes and/or the proceeds from the sale of assets are classified as non-operating revenues.

T. Revolving Loan Fund

The Corporation operates a revolving loan fund where loans are made in the form of notes and mortgages. The Corporation reviews the outstanding notes and mortgage receivable based on past history and communication with debtors in order to determine collectability. An allowance for doubtful accounts is recorded when management determines that collectability is questionable. There was no allowance for doubtful accounts as of December 31, 2023.

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Deficit Fund Balance

The Capital Projects Fund had deficit unassigned fund balances totaling \$5,768,230 at December 31, 2023. The deficits were caused by expenditures in excess of available financing and were funded with loans from the respective funds benefiting from the projects and a Bond Anticipation Note. The deficits will be eliminated when permanent financing for the projects is put in place.

Overspent Appropriations

Expenditures for the year ended December 31, 2023 materially exceeded appropriations in the funds and/or functions identified below:

<u>FUND/FUNCTION</u>	<u>APPROPRIATIONS AS MODIFIED</u>	<u>EXPENDITURES</u>	<u>UNFAVORABLE VARIANCE</u>
General A Fund/Culture and Recreation	\$ 917,480	\$ 971,272	\$ (53,792)
Napanoch Sewer District/Home & Comm. Service	495,112	508,804	(13,692)
Kerhonkson Water District/Home & Comm. Service	309,249	328,909	(19,660)

The overspent appropriations in the General Fund were caused by unanticipated parks expenses and were funded with available fund balance.

The overspent appropriations in the Napanoch Sewer District and Kerhonkson Water District were caused by unanticipated increases in utility costs and general maintenance and were funded with available fund balance.

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL
 FUND STATEMENTS AND TOWN-WIDE STATEMENT

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

- A. Total fund balances of the Town’s governmental funds differs from “net position” of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheet.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL
FUND STATEMENTS AND TOWN-WIDE STATEMENT (continued)

B. Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

1. Long-term revenue and expenditure differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities report revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences:

Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2023 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 1,260,593	\$ -	\$ -	\$ 1,260,593
Construction In Progress	<u>18,376,002</u>	<u>7,737,771</u>	<u>-</u>	<u>26,113,773</u>
Total non-depreciable historical cost	<u>19,636,595</u>	<u>7,737,771</u>	<u>-</u>	<u>27,374,366</u>
Capital assets that are depreciated:				
Building and Improvements	9,020,942	30,820	-	9,051,762
Machinery and Equipment	7,430,960	510,903	94,800	7,847,063
Infrastructure	<u>84,998,309</u>	<u>600,647</u>	<u>-</u>	<u>85,598,956</u>
Total depreciable historical cost	<u>101,450,211</u>	<u>1,142,370</u>	<u>94,800</u>	<u>102,497,781</u>
Less accumulated depreciation:				
Building and Improvements	5,853,018	372,326	94,800	6,225,344
Machinery and Equipment	4,509,100	536,830	-	4,951,130
Infrastructure	<u>58,176,836</u>	<u>1,845,443</u>	<u>-</u>	<u>60,022,279</u>
Total Accumulated Depreciation	<u>68,538,954</u>	<u>2,754,599</u>	<u>94,800</u>	<u>71,198,753</u>
Total historical cost, net	<u>\$ 52,547,852</u>	<u>\$ 6,125,542</u>	<u>\$ -</u>	<u>\$ 58,673,394</u>

Depreciation has been allocated to governmental functions as follows:

General Government Support	\$ 40,648
Public Safety	6,554
Transportation	1,983,111
Culture & Recreation	11,145
Home & Community Services	<u>713,141</u>
	<u>\$ 2,754,599</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – CASH AND INVESTMENTS

The Town of Wawarsing investment policies are governed by State statutes. Town monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The 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 time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and their municipalities and schools. The Town’s aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the
pledging financial institution, or its trust
department, but not in the Town’s name. \$ 8,684,526

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2023 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund – Town-Wide	\$ 1,579,255	\$ -	\$ -	\$ -
General Fund-Town Outside	-	-	-	-
Highway Fund – Part-Town	-	42,945	-	-
Sewer Fund	-	154,302	-	74,145
Water Fund	-	209,907	-	-
Capital Projects Fund	-	970,518	74,145	-
Lighting Fund	-	201,583	-	-
	<u>1,579,255</u>	<u>1,579,255</u>	<u>74,145</u>	<u>74,145</u>
Total Governmental Funds				
	<u>\$ 1,579,255</u>	<u>\$ 1,579,255</u>	<u>\$ 74,145</u>	<u>\$ 74,145</u>
TOTALS				
	<u>\$ 1,579,255</u>	<u>\$ 1,579,255</u>	<u>\$ 74,145</u>	<u>\$ 74,145</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The Town transfers money between funds for the purpose of financing capital projects, reimbursing various expenses and/or relieving cash flow issues.

NOTE 7 - LIABILITIES

1. **Long-Term Debt**

Serial Bonds

The Town of Wawarsing, New York 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. 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 the long-term liabilities.

Other Long-Term Debt

In addition to the above long-term debt the local government had the following non-current liabilities:

Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.

Judgments and Claims – Represents the Town’s outstanding liability related to the workers’ compensation risk sharing pool. (See Note 1-H)

Due To ERS – Represents the unbilled portion of the liability to the NYS and Local Employees’ Retirement System.

Installment Purchase Debt – Represents the outstanding installments due on the purchase of equipment.

Total OPEB Liability – Represents the liability related to the Town’s post employment health insurance benefits. (Note 8)

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (continued)

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 49,588
Less: Interest Accrued In Prior Year	(4,212)
Plus: Interest Accrued In Current Year	<u>3,928</u>
 TOTAL EXPENSE	 <u>\$ 49,304</u>

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2023.

	<u>BALANCE</u> <u>01/01/23</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/23</u>	<u>AMOUNTS DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
Serial Bonds –					
Direct Placement	\$ 6,429,500	\$ -	\$ 305,000	\$ 6,124,500	\$ 345,000
Installment Purchase Debt –					
Direct Borrowing (Restated)	252,948	-	223,026	29,922	29,922
Compensated Absences	86,421	3,540	-	89,961	-
Judgments and Claims	21,432	-	128,677	(107,245)	-
Total OPEB Liability	<u>7,182,283</u>	<u>825,246</u>	<u>1,359,525</u>	<u>6,648,004</u>	<u>160,000</u>
	<u>\$ 13,972,584</u>	<u>\$ 828,786</u>	<u>\$ 2,016,228</u>	<u>\$ 12,758,142</u>	<u>\$ 534,992</u>

Additions and deletions to compensated absences and judgments and claims are shown net since it is impractical to determine these amounts separately.

Long-Term Debt Maturity Schedule

The following is a statement of outstanding bonds at December 31, 2023:

<u>PURPOSE</u>	<u>MATURITY</u>	<u>RATE</u>	<u>OUTSTANDING</u>
Napanoch Water	2036	0%	\$ 3,045,000
Kerhonkson Sewer	2046	2.25%	679,500
Kerhonkson Water	2054	1.50%	1,630,000
Kerhonkson Water	2054	1.125%	<u>770,000</u>
			<u>\$ 6,124,500</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

The following is a statement of outstanding installment purchase debt at December 31, 2023:

<u>PURPOSE</u>	<u>MATURITY</u>	<u>RATE</u>	<u>OUTSTANDING</u>
Highway Equipment	2024	4.44%	\$ 19,072
Highway Equipment	2022	4.072%	<u>10,850</u>
			<u>\$ 29,922</u>

The following totals summarize the Town’s future debt service requirements as of December 31, 2023:

<u>YEAR ENDED</u> <u>DECEMBER 31,</u>	<u>DIRECT BORROWING AND</u> <u>DIRECT PLACEMENTS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024		\$ 374,992	\$ 48,201
2025		325,000	46,264
2026		330,000	44,726
2027		330,000	43,152
2028		330,000	41,577
2029-2033		1,660,000	184,192
2034-2037		1,220,000	142,586
2039-2043		545,000	99,329
2044-2048		489,500	56,069
2049-2053		455,000	22,706
2054		<u>95,000</u>	<u>656</u>
		<u>\$ 6,154,422</u>	<u>\$ 729,458</u>

2. **Pension Plan**

Plan Description

The Town of Wawarsing, New York participates in the New York State and Local Employees’ Retirement System (ERS) and the Public Employees’ Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems.

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes Financial Statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership.

Employees who joined the Systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2023	421,954
2022	428,979
2021	452,388

3. Short-Term Debt

Bond Anticipation Notes

State law requires that BAN's issued for capital purpose be converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvements projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. The Town has the following BAN's outstanding as of December 31, 2023:

CAPITAL PROJECTS FUND	INTEREST RATE	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Highway Barn	4.50%	<u>\$ -</u>	<u>\$ 7,200,000</u>	<u>\$ -</u>	<u>\$ 7,200,000</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

Short-Term Debt Interest

Interest expense on short term debt consisted of the following:

Interest Paid	\$	-
Less: Interest Accrued in Prior Year		-
Plus: Interest Accrued in Current Year		<u>134,978</u>
 Total Expense	 \$	 <u>134,978</u>

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The Town provides post-employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town’s contractual agreements.

General Information about the OPEB Plan

Plan Description - The healthcare plan is a defined benefit OPEB plan that provides benefits for employees of the Town who have reached certain levels of employment with the Town. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Town provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on whether they are covered under the union contract or non-union policy that each employee falls under. The Town discounts the medical premium by Medicare Part B premiums (when applicable, retirees only), and it pays 50 - 90% of the premium for a single policy or a family policy for the union employees and the non-union employees.

Employees Covered by Benefit Terms – At January 1, 2023 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments		16
Inactive employees entitled to but not yet receiving benefit payments		0
 Active Employees		 <u>64</u> <u>80</u>

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Total OPEB Liability

The Town’s total OPEB liability of \$6,648,004 was measured as of December 31, 2023, using an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	December 31, 2023
Discount Rate	4.00%
Inflation	2.70%
Initial Healthcare Cost Trend Rate	5.94%
Ultimate Healthcare Cost Trend Rate	4.14%

The actuarial cost method used in the valuation was Entry Age Normal.

The discount rate was based on the S&P Municipal Bond 20 – Year High Grade Index.

Mortality rates were based on Pub-2010 General Employees Headcount-Weighted table projected fully generationally using MP-2021 for employees participating in NYS ERS.

The actuarial assumptions used in the January 1, 2023 valuation were projected to December 31, 2023 on a no gain/loss basis.

Changes in the Total OPEB Liability

Balance at December 31, 2022		\$ 7,182,283
Changes for the Year -		
Service Cost	313,485	
Interest	319,691	
Changes of Benefit Terms	-	
Difference between expended and actual experience	(1,201,183)	
Changes in assumptions or other inputs	192,070	
Benefit Payments	<u>(158,342)</u>	
Net Changes		<u>(534,279)</u>
Balance at December 31, 2023		<u>\$ 6,648,004</u>

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (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 1 – percentage point higher than the current discount rate:

	<u>1% Decrease</u> <u>(3.31%)</u>	<u>Current</u> <u>Assumption</u> <u>(4.31%)</u>	<u>1% Increase</u> <u>(5.31%)</u>
Total OPEB Liability	\$ <u>7,924,955</u>	\$ <u>6,648,004</u>	\$ <u>5,634,455</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate – The following presents the total OPEB liability of the Town, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>5,438,435</u>	\$ <u>6,648,004</u>	\$ <u>8,244,792</u>

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$376,190. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (2,057,836)
Changes of assumptions or other inputs	<u>2,433,946</u>	<u>(2,993,958)</u>
Total	<u>\$ 2,433,946</u>	<u>\$ (5,051,794)</u>

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

2024	\$ (256,986)
2025	(256,986)
2026	(187,936)
2027	(422,765)
2028	(422,769)
Thereafter	<u>(1,070,406)</u>
TOTAL	<u>\$ (2,617,848)</u>

NOTE 9 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees’ Retirement System (ERS) are included in Note 7-2 to the financial statements.

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

At December 31, 2023, 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, 2023 . The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town’s proportion 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 provided by the ERS System in reports provided to the Town.

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

	<u>ERS</u>
Actuarial valuation date	April 1, 2022
Net pension asset/(liability)	\$ (2,122,892)
Town’s portion of the Plan’s total net pension asset/(liability)	0.0098997%

For the year ended December 31, 2023, the Town recognized pension expense of \$737,617. At December 31, 2023, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 226,105	\$ 59,619
Changes of assumptions	1,031,013	11,395
Net difference between projected and actual earnings on pension plan investments	-	12,472
Changes in proportion and differences between the Town’s contributions and proportionate share of contributions	52,985	42,552
Town’s contributions subsequent to the measurement date	<u>317,113</u>	<u>-</u>
Total	<u>\$ 1,627,216</u>	<u>\$ 126,038</u>

Town contributions subsequent to the measurement date of \$317,113 will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
2024	\$ 274,714
2025	(117,156)
2026	442,106
2027	584,401
2028	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 1,184,065</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

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

	<u>ERS</u>	
	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2023	March 31, 2022
Actuarial valuation date	April 1, 2022	April 1, 2021
Interest rate	5.9%	5.9%
Salary scale	4.4%	4.4%
Cost of Living Adjustments	1.5%	1.4%
Inflation rate	2.9%	2.7%

The 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-2020. The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

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

	<u>ERS</u>
Measurement date	March 31, 2023
Asset Type:	
Domestic Equity	4.30%
International Equity	6.85%
Private Equity	7.50%
Real Estate	5.84%
Opportunistic/Absolute	5.38%
Return Strategy	
Credit	5.43%
Real Assets	5.84%
Fixed Income	1.5%
Cash	0.00%

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 9 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
 OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Discount Rate

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

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS, 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 1-percentage point higher than the current rate:

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer’s proportionate share of the net pension asset (liability)	<u>\$ 5,130,119</u>	<u>\$ 2,122,892</u>	<u>\$ (389,996)</u>

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:

	<u>ERS (in thousands)</u>
Valuation date	April 1, 2022
Employers’ total pension liability	\$ (232,627,259)
Plan Net Position	<u>211,183,223</u>
Employer’s net pension asset/(liability)	<u>\$ (21,444,036)</u>
Proportion of plan net position to the Employer’s total pension asset/(liability)	90.78%

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 9 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
 OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of December 31 represent the projected employer contribution for the period of April 1 through December 31 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. The Town had no accrued retirement contributions as of December 31, 2023.

NOTE 10 - CONTINGENCIES

FEDERAL AND NEW YORK STATE GRANTS

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

LITIGATION

The Town is a defendant in various claims by taxpayers for re-determination of assessed valuation and tax exempt status. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time and will be funded in the year in which the judgment is made.

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 58,673,394
Less: Bonds Payable	(6,124,500)
Installment Debt Payable	(29,922)
Bond Anticipation Notes Payable	<u>(7,200,000)</u>
Net Investment in Capital Assets	<u>\$ 45,318,972</u>

TOWN OF WAWARSING, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 12 – RELATED PARTY TRANSACTIONS

For the year ended December 31, 2023, the insurance expense of \$2,141 was paid to Sprague & Killeen, Inc. The Board President of the Greater Wawarsing Local Development Corporation is also the President of the insurance agency.

NOTE 13 – MORTGAGE AND NOTES RECEIVABLE

Mortgage and notes receivable consist of amounts due from business entities within the Town of Wawarsing, New York. The purpose of the notes is to help local businesses expand and develop. Notes receivable are shown net, with uncollectible amounts recognized under the allowance method.

The total amount receivable is as follows:

	<u>BALANCE</u> <u>01/01/23</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/23</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
Gamex, LLC	\$ <u>31,166</u>	\$ <u>-</u>	\$ <u>11,037</u>	\$ <u>20,129</u>	\$ <u>11,373</u>

NOTE 14 - OTHER ASSETS

Other Assets represent knife inventory and fixtures obtained in relation to promoting a local business, “Canal Street Knife Works”. This venture was to bring more jobs to the area. However, the business did not develop as planned and the Corporation retained possession of the knife inventory and fixtures purchased by the business. Beginning in 2019, assets were sold through an agreement with a local museum and the Corporation. In 2020 the Corporation reaffirmed its agreement with the local museum to retain the knife inventory in their possession for sale in their shop with certain items to be displayed for the foreseeable future. The Corporation recognized \$350 in revenue from sales of assets for the year ended December 31, 2023, and the remaining knife inventory has an estimated net realizable value of \$1,100 at December 31, 2023.

NOTE 15 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2023 and October 31, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

TOWN OF WAWARSING, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND - TOWN-WIDE
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,573,415	\$ 2,573,415	\$ 2,573,415	\$ -	\$ 2,574,045
Other Tax Items	100,000	100,000	65,194	(34,806)	69,127
Departmental Income	309,000	339,000	397,092	58,092	369,057
Intergovernmental Charges	20,000	20,000	22,000	2,000	24,000
Use of Money and Property	15,000	33,000	41,157	8,157	19,153
Licenses and Permits	2,500	2,500	6,588	4,088	2,660
Fines and Forfeitures	170,000	245,000	239,857	(5,143)	212,666
Sale of Property and Compensation For Loss	1,000	1,000	287	(713)	2,276
Miscellaneous Local Sources	145,000	145,000	176,804	31,804	231,954
State Aid	128,500	187,000	307,915	120,915	230,933
Federal Aid	123,000	183,000	101,183	(81,817)	347,571
TOTAL REVENUES	<u>3,587,415</u>	<u>3,828,915</u>	<u>3,931,492</u>	<u>102,577</u>	<u>4,083,442</u>
EXPENDITURES					
General Government Support	1,839,320	1,958,300	1,825,367	132,933	1,819,480
Public Safety	37,505	37,505	33,767	3,738	29,621
Health	90,500	90,500	4,319	86,181	68,506
Transportation	264,200	282,700	234,474	48,226	217,647
Economic Assistance and Opportunity	-	6,500	6,780	(280)	14,000
Culture and Recreation	589,480	917,480	971,272	(53,792)	603,226
Home and Community Services	429,500	433,000	396,797	36,203	384,627
Employee Benefits	825,742	757,762	709,518	48,244	737,836
TOTAL EXPENDITURES	<u>4,076,247</u>	<u>4,483,747</u>	<u>4,182,294</u>	<u>301,453</u>	<u>3,874,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(488,832)	(654,832)	(250,802)	404,030	208,499
FUND BALANCE - Beginning of Year	<u>488,832</u>	<u>654,832</u>	<u>3,381,404</u>	<u>2,726,572</u>	<u>3,172,905</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,130,602</u>	<u>\$ 3,130,602</u>	<u>\$ 3,381,404</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND - TOWN-OUTSIDE
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 80,374
Non-Property Tax Items	300,000	300,000	465,285	165,285	477,517
Departmental Income	20,500	20,500	28,827	8,327	12,661
Use of Money and Property	300	300	8,740	8,440	1,181
Licenses and Permits	120,000	120,000	111,462	(8,538)	172,815
Sale of Property and Compensation For Loss	-	-	1,050	1,050	-
Miscellaneous Local Sources	-	-	-	-	2,003
Federal Aid	-	-	-	-	6,839
	<u>440,800</u>	<u>440,800</u>	<u>615,364</u>	<u>174,564</u>	<u>753,390</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	82,574	53,040	23,725	29,315	101,407
Public Safety	209,750	251,750	250,490	1,260	203,365
Transportation	-	-	-	-	500
Culture and Recreation	5,000	10,000	10,773	(773)	31,668
Home and Community Services	65,035	65,035	50,683	14,352	57,713
Employee Benefits	163,165	145,699	139,598	6,101	117,906
	<u>525,524</u>	<u>525,524</u>	<u>475,269</u>	<u>50,255</u>	<u>512,559</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(84,724)	(84,724)	140,095	224,819	240,831
FUND BALANCE - Beginning of Year	<u>84,724</u>	<u>84,724</u>	<u>1,205,476</u>	<u>1,120,752</u>	<u>964,645</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,571</u>	<u>\$ 1,345,571</u>	<u>\$ 1,205,476</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
HIGHWAY FUND - PART-TOWN
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 3,478,858	\$ 3,478,858	\$ 3,478,858	\$ -	\$ 3,419,783
Use of Money and Property	2,000	2,000	4,409	2,409	2,696
Sale of Property and Compensation For Loss	13,000	13,000	20,703	7,703	68,859
Miscellaneous Local Sources	-	-	-	-	6,125
State Aid	250,000	783,500	783,416	(84)	884,460
Federal Aid	-	-	-	-	41,330
	<u>3,743,858</u>	<u>4,277,358</u>	<u>4,287,386</u>	<u>10,028</u>	<u>4,423,253</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	-	55,300	55,212	88	53,108
Transportation	3,018,473	3,797,573	3,277,691	519,882	3,617,309
Employee Benefits	775,246	830,246	778,585	51,661	742,982
Debt Service:					
Principal	223,025	223,025	223,026	(1)	302,494
Interest	9,089	9,089	6,205	2,884	14,936
	<u>4,025,833</u>	<u>4,915,233</u>	<u>4,340,719</u>	<u>574,514</u>	<u>4,730,829</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(281,975)	(637,875)	(53,333)	584,542	(307,576)
FUND BALANCE - Beginning of Year	<u>281,975</u>	<u>637,875</u>	<u>1,357,957</u>	<u>720,082</u>	<u>1,665,533</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,304,624</u>	<u>\$ 1,304,624</u>	<u>\$ 1,357,957</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 313,485	\$ 592,428	\$ 553,769	\$ 480,906	\$ 272,467	\$ 320,770
Interest	319,691	218,105	210,097	247,353	260,662	222,121
Changes of benefit terms	-	-	(523,712)	-	-	-
Differences between expected and actual experience and changes of assumptions	(1,201,183)	(21,841)	(194,415)	(771,228)	(1,106,827)	-
Changes of assumptions or other inputs	192,070	(3,579,892)	791,565	980,042	3,176,112	(766,885)
Benefit payments	<u>(158,342)</u>	<u>(145,995)</u>	<u>(147,790)</u>	<u>(106,646)</u>	<u>(143,661)</u>	<u>(184,462)</u>
Net Changes	(534,279)	(2,937,200)	689,514	830,427	2,458,753	(408,456)
Beginning Total OPEB Liability	<u>7,182,283</u>	<u>10,119,483</u>	<u>9,429,969</u>	<u>8,599,542</u>	<u>6,140,789</u>	<u>6,549,245</u>
Ending Total OPEB Liability	<u>\$ 6,648,004</u>	<u>\$ 7,182,283</u>	<u>\$ 10,119,483</u>	<u>\$ 9,429,969</u>	<u>\$ 8,599,542</u>	<u>\$ 6,140,789</u>
Covered Employee Payroll	<u>\$ 3,361,565</u>	<u>\$ 3,419,876</u>	<u>\$ 3,020,415</u>	<u>\$ 3,221,823</u>	<u>\$ 2,824,328</u>	<u>\$ 2,759,820</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	197.8%	210.0%	335.0%	292.7%	304.50%	222.51%

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

TOWN OF WAWARSING, NEW YORK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The discount rate used in the GASB 75 calculation increased from 2.05% at the December 31, 2021 measurement date to 4.31% at the December 31, 2022 measurement date.

Trust Assets

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

TOWN OF WAWARSING, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
 YEAR ENDED DECEMBER 31, 2023

ERS System - Liability

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0098997%	0.0091834%	0.0092816%	0.0100701%	0.0100636%	0.0104857%	0.0103740%	0.0102258%	0.0101818%
The Town's proportionate share of the net pension asset (liability)	(2,122,892)	750,702	\$ (9,242)	\$ (2,666,616)	\$ (713,037)	\$ (338,420)	\$ (974,763)	\$ (1,641,275)	\$ (343,966)
The Town's covered employee payroll	3,228,504	2,937,210	2,952,984	2,925,579	2,907,343	2,775,159	2,629,822	2,492,989	2,549,870
The Town's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	64.55%	25.56%	0.33%	91.15%	24.53%	12.19%	37.07%	65.84%	13.49%
Plan Fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.90%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2023

<u>ERS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 421,954	\$ 428,979	\$ 452,388	\$ 435,430	\$ 434,837	\$ 440,469	\$ 443,316	\$ 447,792	\$ 490,810	\$ 532,108
Contribution in relation to the contractually required contribution	<u>421,954</u>	<u>428,979</u>	<u>452,388</u>	<u>435,430</u>	<u>434,837</u>	<u>440,469</u>	<u>443,316</u>	<u>447,792</u>	<u>490,810</u>	<u>532,108</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Contribution as a percentage of covered employee payroll	13.07%	14.60%	16.07%	14.75%	14.86%	15.15%	15.97%	17.03%	19.69%	20.87%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	<u>SEWER</u>	<u>WATER</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 763,113	\$ 283,572	\$ 74,164	\$ 216,666	\$ -	\$ 1,337,515
Cash - Restricted	308,390	171,177	-	-	-	479,567
Accounts Receivable	2,327	2	-	-	-	2,329
Rents Receivable	55,806	174,601	-	-	-	230,407
Due From Other Government	101,760	3,654	-	-	-	105,414
Prepaid Expenditures	<u>8,300</u>	<u>2,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,500</u>
TOTAL ASSETS	<u>\$ 1,239,696</u>	<u>\$ 635,206</u>	<u>\$ 74,164</u>	<u>\$ 216,666</u>	<u>\$ -</u>	<u>\$ 2,165,732</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 54,177	\$ 28,692	\$ -	\$ -	\$ -	\$ 82,869
Accrued Liabilities	7,260	2,663	-	-	-	9,923
Due To Other Funds	<u>154,302</u>	<u>209,907</u>	<u>-</u>	<u>201,583</u>	<u>-</u>	<u>565,792</u>
TOTAL LIABILITIES	<u>215,739</u>	<u>241,262</u>	<u>-</u>	<u>201,583</u>	<u>-</u>	<u>658,584</u>
FUND BALANCES						
Non-spendable:						
Prepaid Items	8,300	2,200	-	-	-	10,500
Restricted:						
Capital	308,390	171,177	-	-	-	479,567
Assigned:						
Appropriated	165,305	78,211	-	-	-	243,516
Unappropriated	<u>541,962</u>	<u>142,356</u>	<u>74,164</u>	<u>15,083</u>	<u>-</u>	<u>773,565</u>
TOTAL FUND BALANCES	<u>1,023,957</u>	<u>393,944</u>	<u>74,164</u>	<u>15,083</u>	<u>-</u>	<u>1,507,148</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,239,696</u>	<u>\$ 635,206</u>	<u>\$ 74,164</u>	<u>\$ 216,666</u>	<u>\$ -</u>	<u>\$ 2,165,732</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2023

	<u>SEWER</u>	<u>WATER</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES						
Real Property Taxes	\$ 136,155	\$ 328,715	\$ -	\$ 41,000	\$ 313,925	\$ 819,795
Departmental Income	127,802	414,152	-	-	-	541,954
Intergovernmental Charges	499,624	-	-	-	-	499,624
Use of Money and Property	5,380	5,345	80	2,503	-	13,308
Sale of Property and Compensation For Loss	-	3,270	-	-	-	3,270
Miscellaneous Local Sources	-	24,361	-	-	-	24,361
	<u>768,961</u>	<u>775,843</u>	<u>80</u>	<u>43,503</u>	<u>313,925</u>	<u>1,902,312</u>
TOTAL REVENUES						
EXPENDITURES						
General Government Support	39,615	1,736	-	-	-	41,351
Health	-	-	-	-	313,925	313,925
Transportation	-	-	-	82,875	-	82,875
Home and Community Services	656,529	440,004	-	-	-	1,096,533
Employee Benefits	145,707	66,448	-	-	-	212,155
Debt Service:						
Principal	30,000	275,000	-	-	-	305,000
Interest	9,809	33,574	-	-	-	43,383
	<u>881,660</u>	<u>816,762</u>	<u>-</u>	<u>82,875</u>	<u>313,925</u>	<u>2,095,222</u>
TOTAL EXPENDITURES						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(112,699)	(40,919)	80	(39,372)	-	(192,910)
OTHER FINANCING SOURCES (USES)						
Operating Transfers Out	(74,145)	-	-	-	-	(74,145)
FUND BALANCE - Beginning of Year	<u>1,210,801</u>	<u>434,863</u>	<u>74,084</u>	<u>54,455</u>	<u>-</u>	<u>1,774,203</u>
FUND BALANCE - End of Year	<u>\$ 1,023,957</u>	<u>\$ 393,944</u>	<u>\$ 74,164</u>	<u>\$ 15,083</u>	<u>\$ -</u>	<u>\$ 1,507,148</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
GENERAL FUND - TOWN-WIDE
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,543,674	\$ 2,076,718
Accounts Receivable	55,183	45,088
Due From Other Funds	1,579,255	1,644,733
Due From State and Federal	95,306	-
Due From Other Governments	57,401	58,000
Prepaid Expenditures	<u>38,000</u>	<u>38,000</u>
TOTAL ASSETS	<u>\$ 3,368,819</u>	<u>\$ 3,862,539</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 154,371	\$ 200,768
Accrued Liabilities	29,761	169,203
Due To Other Governments	14,704	71,783
Other Liabilities	3,281	3,281
Unearned Revenues	<u>36,100</u>	<u>36,100</u>
TOTAL LIABILITIES	<u>238,217</u>	<u>481,135</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	38,000	38,000
Non-Current Receivables	486,082	438,695
Assigned:		
Appropriated	641,255	488,832
Unassigned	<u>1,965,265</u>	<u>2,415,877</u>
TOTAL FUND BALANCE	<u>3,130,602</u>	<u>3,381,404</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,368,819</u>	<u>\$ 3,862,539</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
GENERAL FUND - TOWN-OUTSIDE
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,746,524	\$ 1,722,206
Accounts Receivable	56,957	27,000
Due From Other Governments	58,850	62,134
Prepaid Expenditures	<u>7,400</u>	<u>7,400</u>
TOTAL ASSETS	<u>\$ 1,869,731</u>	<u>\$ 1,818,740</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 7,957	\$ 16,175
Accrued Liabilities	4,145	4,145
Due To Other Funds	-	88,911
Escrow Liabilities	<u>512,058</u>	<u>504,033</u>
TOTAL LIABILITIES	<u>524,160</u>	<u>613,264</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	7,400	7,400
Assigned:		
Appropriated	63,969	84,724
Unappropriated	<u>1,274,202</u>	<u>1,113,352</u>
TOTAL FUND BALANCE	<u>1,345,571</u>	<u>1,205,476</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,869,731</u>	<u>\$ 1,818,740</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
HIGHWAY FUND - PART-TOWN
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,383,158	\$ 1,765,778
Cash - Restricted	4,111	4,110
Accounts Receivable	12,205	13,227
Prepaid Expenditures	<u>49,000</u>	<u>49,000</u>
TOTAL ASSETS	<u><u>\$ 1,448,474</u></u>	<u><u>\$ 1,832,115</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 64,736	\$ 411,085
Accrued Liabilities	36,169	36,169
Due To Other Funds	<u>42,945</u>	<u>26,904</u>
TOTAL LIABILITIES	<u>143,850</u>	<u>474,158</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	49,000	49,000
Restricted:		
Capital	4,111	4,110
Assigned:		
Appropriated	236,952	281,975
Unappropriated	<u>1,014,561</u>	<u>1,022,872</u>
TOTAL FUND BALANCE	<u>1,304,624</u>	<u>1,357,957</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,448,474</u></u>	<u><u>\$ 1,832,115</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
SPECIAL DISTRICTS FUND - SEWER DISTRICTS
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>KERHONKSON</u>	<u>NAPANOCH</u>	<u>2023</u>	<u>2022</u>
ASSETS				
Cash	\$ 105,117	\$ 657,996	\$ 763,113	\$ 784,638
Cash - Restricted	148,994	159,396	308,390	291,833
Accounts Receivable	-	2,327	2,327	-
Sewer Rents Receivable	55,806	-	55,806	79,846
Due From State and Federal	-	101,760	101,760	203,892
Prepaid Expenditures	<u>2,200</u>	<u>6,100</u>	<u>8,300</u>	<u>8,300</u>
TOTAL ASSETS	<u>\$ 312,117</u>	<u>\$ 927,579</u>	<u>\$ 1,239,696</u>	<u>\$ 1,368,509</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 445	\$ 53,732	\$ 54,177	\$ 36,912
Accrued Liabilities	2,045	5,215	7,260	23,141
Due To Other Funds	<u>74,126</u>	<u>80,176</u>	<u>154,302</u>	<u>97,655</u>
TOTAL LIABILITIES	<u>76,616</u>	<u>139,123</u>	<u>215,739</u>	<u>157,708</u>
FUND BALANCE				
Non-Spendable:				
Prepaid Items	2,200	6,100	8,300	8,300
Restricted:				
Capital	148,994	159,396	308,390	291,833
Assigned:				
Appropriated	-	165,305	165,305	97,840
Unappropriated	<u>84,307</u>	<u>457,655</u>	<u>541,962</u>	<u>812,828</u>
TOTAL FUND BALANCE	<u>235,501</u>	<u>788,456</u>	<u>1,023,957</u>	<u>1,210,801</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 312,117</u>	<u>\$ 927,579</u>	<u>\$ 1,239,696</u>	<u>\$ 1,368,509</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NAPANOCH SEWER DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Intergovernmental Charges	\$ 556,690	\$ 55,690	\$ 499,624	\$ 443,934	\$ 660,839
Use of Money and Property	400	3,723	4,557	834	2,246
Miscellaneous Local Sources	-	-	-	-	45
Federal Aid	-	-	-	-	8,665
	<u>557,090</u>	<u>59,413</u>	<u>504,181</u>	<u>444,768</u>	<u>671,795</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	118,480	105,980	31,928	74,052	105,826
Home and Community Services	392,775	495,112	508,804	(13,692)	618,314
Employee Benefits	143,675	143,675	120,824	22,851	136,450
	<u>654,930</u>	<u>744,767</u>	<u>661,556</u>	<u>83,211</u>	<u>860,590</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(97,840)	(685,354)	(157,375)	527,979	(188,795)
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	-	(9,523)	(9,523)	-	-
NET CHANGE IN FUND BALANCE	(97,840)	(694,877)	(166,898)	527,979	(188,795)
FUND BALANCE - Beginning of Year	<u>97,840</u>	<u>193,877</u>	<u>955,354</u>	<u>761,477</u>	<u>1,144,149</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ (501,000)</u>	<u>\$ 788,456</u>	<u>\$ 1,289,456</u>	<u>\$ 955,354</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
KERHONKSON SEWER DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 136,155	\$ 136,155	\$ 136,155	\$ -	\$ 136,155
Departmental Income	122,000	122,000	127,802	5,802	123,906
Use of Money and Property	300	300	823	523	382
Sale of Property and Compensation For Loss	-	-	-	-	30,326
Federal Aid	-	-	-	-	2,011
	<u>258,455</u>	<u>258,455</u>	<u>264,780</u>	<u>6,325</u>	<u>292,780</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	6,500	8,500	7,687	813	13,025
Home and Community Services	174,350	174,350	147,725	26,625	164,513
Employee Benefits	31,975	31,975	24,883	7,092	24,823
Debt Service:					
Principal	30,000	30,000	30,000	-	30,000
Interest	15,630	15,630	9,809	5,821	16,301
	<u>258,455</u>	<u>260,455</u>	<u>220,104</u>	<u>40,351</u>	<u>248,662</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	-	(2,000)	44,676	46,676	44,118
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	-	(64,622)	(64,622)	-	-
NET CHANGE IN FUND BALANCE					
	-	(66,622)	(19,946)	46,676	44,118
FUND BALANCE - Beginning of Year					
	<u>-</u>	<u>66,622</u>	<u>255,447</u>	<u>188,825</u>	<u>211,329</u>
FUND BALANCE - End of Year					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,501</u>	<u>\$ 235,501</u>	<u>\$ 255,447</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
SPECIAL DISTRICTS FUND - WATER DISTRICTS
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>NAPANOCH</u>	<u>KERHONKSON</u>	<u>WAWARSING</u>	<u>2023</u>	<u>2022</u>
ASSETS					
Cash	\$ 142,237	\$ 35,560	\$ 105,775	\$ 283,572	\$ 163,716
Cash - Restricted	104,798	66,379	-	171,177	211,478
Water Rents Receivable	93,223	55,149	26,229	174,601	194,810
Accounts Receivable	-	2	-	2	2
Due From Other Government	3,654	-	-	3,654	-
Prepaid Expenditures	-	2,200	-	2,200	2,200
	<u> </u>				
TOTAL ASSETS	<u>\$ 343,912</u>	<u>\$ 159,290</u>	<u>\$ 132,004</u>	<u>\$ 635,206</u>	<u>\$ 572,206</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 25,630	\$ 1,631	\$ 1,431	\$ 28,692	\$ 25,344
Accrued Liabilities	1,995	668	-	2,663	9,947
Due To Other Funds	99,877	35,030	75,000	209,907	102,052
	<u> </u>				
TOTAL LIABILITIES	<u>127,502</u>	<u>37,329</u>	<u>76,431</u>	<u>241,262</u>	<u>137,343</u>
FUND BALANCE					
Non-Spendable:					
Prepaid Items	-	2,200	-	2,200	2,200
Restricted:					
Capital	104,798	66,379	-	171,177	211,478
Assigned:					
Appropriated	45,000	33,211	-	78,211	-
Unappropriated	66,612	20,171	55,573	142,356	221,185
	<u> </u>				
TOTAL FUND BALANCE	<u>216,410</u>	<u>121,961</u>	<u>55,573</u>	<u>393,944</u>	<u>434,863</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 343,912</u>	<u>\$ 159,290</u>	<u>\$ 132,004</u>	<u>\$ 635,206</u>	<u>\$ 572,206</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NAPANOCH WATER DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 235,000	\$ 235,000	\$ 235,000	\$ -	\$ 235,000
Departmental Income	201,825	201,825	219,235	17,410	230,547
Use of Money and Property	100	100	3,493	3,393	1,221
Miscellaneous Local Sources	-	24,361	24,361	-	-
Federal Aid	-	-	-	-	1,550
	<u>436,925</u>	<u>461,286</u>	<u>482,089</u>	<u>20,803</u>	<u>468,318</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	6,100	1,300	1,249	51	1,276
Home and Community Services	165,575	309,249	328,909	(19,660)	199,929
Employee Benefits	30,250	52,250	41,846	10,404	37,295
Debt Service:					
Principal	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>-</u>	<u>235,000</u>
	<u>436,925</u>	<u>597,799</u>	<u>607,004</u>	<u>(9,205)</u>	<u>473,500</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	-	(136,513)	(124,915)	11,598	(5,182)
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE					
	-	(136,513)	(124,915)	11,598	(5,182)
FUND BALANCE - Beginning of Year					
	<u>-</u>	<u>136,513</u>	<u>341,325</u>	<u>204,812</u>	<u>346,507</u>
FUND BALANCE - End of Year					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,410</u>	<u>\$ 216,410</u>	<u>\$ 341,325</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
KERHONKSON WATER DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 93,715	\$ 93,715	\$ 93,715	\$ -	\$ 94,125
Departmental Income	106,825	128,140	127,824	(316)	122,029
Use of Money and Property	100	100	1,658	1,558	531
Sale of Property and Compensation For Loss	-	-	3,270	3,270	1,002
Federal Aid	-	-	-	-	1,128
	<u>200,640</u>	<u>221,955</u>	<u>226,467</u>	<u>4,512</u>	<u>218,815</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	11,485	2,800	487	2,313	5,537
Home and Community Services	64,908	103,196	99,389	3,807	89,810
Employee Benefits	27,455	27,455	24,594	2,861	30,498
Debt Service:					
Principal	60,000	60,000	40,000	20,000	60,000
Interest	33,715	33,715	33,574	141	34,537
	<u>197,563</u>	<u>227,166</u>	<u>198,044</u>	<u>29,122</u>	<u>220,382</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,077	(5,211)	28,423	33,634	(1,567)
OTHER FINANCING SOURCES (uses)					
Other Budgetary Purposes	(3,077)	(3,077)	-	3,077	-
NET CHANGE IN FUND BALANCE	-	(8,288)	28,423	36,711	(1,567)
FUND BALANCE - Beginning of Year	-	8,288	93,538	85,250	95,105
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,961</u>	<u>\$ 121,961</u>	<u>\$ 93,538</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
WAWARSING WATER DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Departmental Income	103,748	103,748	67,093	(36,655)	-
Use of Money and Property	<u>100</u>	<u>100</u>	<u>194</u>	<u>94</u>	<u>-</u>
TOTAL REVENUES	<u>103,848</u>	<u>103,848</u>	<u>67,287</u>	<u>(36,561)</u>	<u>-</u>
EXPENDITURES					
General Government Support	2,800	2,800	-	2,800	-
Home and Community Services	73,593	73,593	11,706	61,887	-
Employee Benefits	<u>27,455</u>	<u>27,455</u>	<u>8</u>	<u>27,447</u>	<u>-</u>
TOTAL EXPENDITURES	<u>103,848</u>	<u>103,848</u>	<u>11,714</u>	<u>92,134</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	55,573	55,573	-
OTHER FINANCING SOURCES (USES)					
Other Budgetary Purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	55,573	55,573	-
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,573</u>	<u>\$ 55,573</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
SPECIAL DISTRICTS FUND - LIGHTING DISTRICTS
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>NAPANOCH</u>	<u>KERHONKSON</u>	<u>MOONEY</u>	<u>WAWARSING</u>	<u>SPRING GLEN 1</u>	<u>SPRING GLEN 2</u>	<u>2023</u>	<u>2022</u>
ASSETS								
Cash	\$ 90,940	\$ 49,086	\$ 16,338	\$ 26,417	\$ 26,946	\$ 6,939	\$ 216,666	\$ 173,161
TOTAL ASSETS	<u>\$ 90,940</u>	<u>\$ 49,086</u>	<u>\$ 16,338</u>	<u>\$ 26,417</u>	<u>\$ 26,946</u>	<u>\$ 6,939</u>	<u>\$ 216,666</u>	<u>\$ 173,161</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	<u>87,873</u>	<u>52,480</u>	<u>13,811</u>	<u>22,920</u>	<u>19,333</u>	<u>5,166</u>	<u>201,583</u>	<u>118,706</u>
TOTAL LIABILITIES	<u>87,873</u>	<u>52,480</u>	<u>13,811</u>	<u>22,920</u>	<u>19,333</u>	<u>5,166</u>	<u>201,583</u>	<u>118,706</u>
FUND BALANCE								
Assigned:								
Appropriated	-	-	-	-	-	-	-	37,000
Unappropriated	<u>3,067</u>	<u>(3,394)</u>	<u>2,527</u>	<u>3,497</u>	<u>7,613</u>	<u>1,773</u>	<u>15,083</u>	<u>17,455</u>
TOTAL FUND BALANCE	<u>3,067</u>	<u>(3,394)</u>	<u>2,527</u>	<u>3,497</u>	<u>7,613</u>	<u>1,773</u>	<u>15,083</u>	<u>54,455</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 90,940</u>	<u>\$ 49,086</u>	<u>\$ 16,338</u>	<u>\$ 26,417</u>	<u>\$ 26,946</u>	<u>\$ 6,939</u>	<u>\$ 216,666</u>	<u>\$ 173,161</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL DISTRICTS - NAPANOCH LIGHTING
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>1,102</u>	<u>1,102</u>	<u>100</u>
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>16,102</u>	<u>1,102</u>	<u>15,100</u>
EXPENDITURES					
Transportation	<u>35,000</u>	<u>35,000</u>	<u>36,053</u>	<u>(1,053)</u>	<u>43,930</u>
TOTAL EXPENDITURES	<u>35,000</u>	<u>35,000</u>	<u>36,053</u>	<u>(1,053)</u>	<u>43,930</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,000)	(20,000)	(19,951)	49	(28,830)
FUND BALANCE - Beginning of Year	<u>20,000</u>	<u>20,000</u>	<u>23,018</u>	<u>3,018</u>	<u>51,848</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,067</u>	<u>\$ 3,067</u>	<u>\$ 23,018</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL DISTRICTS - KERHONKSON LIGHTING
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Use of Money and Property	<u> -</u>	<u> -</u>	<u> 551</u>	<u> 551</u>	<u> 55</u>
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>10,551</u>	<u> 551</u>	<u>10,055</u>
EXPENDITURES					
Transportation	<u>20,000</u>	<u>20,000</u>	<u>21,591</u>	<u> (1,591)</u>	<u>23,404</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>21,591</u>	<u> (1,591)</u>	<u>23,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(10,000)	(11,040)	(1,040)	(13,349)
FUND BALANCE - Beginning of Year	<u>10,000</u>	<u>10,000</u>	<u>7,646</u>	<u> (2,354)</u>	<u>20,995</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,394)</u>	<u>\$ (3,394)</u>	<u>\$ 7,646</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL DISTRICT - MOONEY LIGHTING
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>	<u>16</u>
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,150</u>	<u>150</u>	<u>5,016</u>
EXPENDITURES					
Transportation	<u>5,000</u>	<u>5,000</u>	<u>5,667</u>	<u>(667)</u>	<u>6,628</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>5,667</u>	<u>(667)</u>	<u>6,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(517)	(517)	(1,612)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,044</u>	<u>3,044</u>	<u>4,656</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,527</u>	<u>\$ 2,527</u>	<u>\$ 3,044</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL DISTRICTS - WAWARSING LIGHTING
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>325</u>	<u>325</u>	<u>31</u>
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,325</u>	<u>325</u>	<u>5,031</u>
EXPENDITURES					
Transportation	<u>9,000</u>	<u>9,000</u>	<u>9,466</u>	<u>(466)</u>	<u>10,454</u>
TOTAL EXPENDITURES	<u>9,000</u>	<u>9,000</u>	<u>9,466</u>	<u>(466)</u>	<u>10,454</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,000)	(4,000)	(4,141)	(141)	(5,423)
FUND BALANCE - Beginning of Year	<u>4,000</u>	<u>4,000</u>	<u>7,638</u>	<u>3,638</u>	<u>13,061</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,497</u>	<u>\$ 3,497</u>	<u>\$ 7,638</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 SPECIAL DISTRICTS - SPRING GLEN 1 LIGHTING
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>	<u>29</u>
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,300</u>	<u>300</u>	<u>5,029</u>
EXPENDITURES					
Transportation	<u>7,000</u>	<u>7,000</u>	<u>7,971</u>	<u>(971)</u>	<u>8,862</u>
TOTAL EXPENDITURES	<u>7,000</u>	<u>7,000</u>	<u>7,971</u>	<u>(971)</u>	<u>8,862</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,000)	(2,000)	(2,671)	(671)	(3,833)
FUND BALANCE - Beginning of Year	<u>2,000</u>	<u>2,000</u>	<u>10,284</u>	<u>8,284</u>	<u>14,117</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,613</u>	<u>\$ 7,613</u>	<u>\$ 10,284</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL DISTRICTS - SPRING GLEN 2 LIGHTING
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>	<u>7</u>
TOTAL REVENUES	<u>1,000</u>	<u>1,000</u>	<u>1,075</u>	<u>75</u>	<u>1,007</u>
EXPENDITURES					
Transportation	<u>2,000</u>	<u>2,000</u>	<u>2,127</u>	<u>(127)</u>	<u>2,538</u>
TOTAL EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>2,127</u>	<u>(127)</u>	<u>2,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,000)	(1,000)	(1,052)	(52)	(1,531)
FUND BALANCE - Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>2,825</u>	<u>1,825</u>	<u>4,356</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773</u>	<u>\$ 1,773</u>	<u>\$ 2,825</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
AMBULANCE DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2022 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 313,925	\$ 313,925	\$ 313,925	\$ -	\$ 291,586
TOTAL REVENUES	<u>313,925</u>	<u>313,925</u>	<u>313,925</u>	<u>-</u>	<u>291,586</u>
EXPENDITURES					
Health	<u>313,925</u>	<u>313,925</u>	<u>313,925</u>	<u>-</u>	<u>291,586</u>
TOTAL EXPENDITURES	<u>313,925</u>	<u>313,925</u>	<u>313,925</u>	<u>-</u>	<u>291,586</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING BALANCE SHEET
 DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	AIRPORT	PUBLIC WATER AQUEDUCT	NAPANOCH SEWER	NAPANOCH WATER	KERHONSON SEWER	KERHONKSON WATER	WAWARSING WATER	ARPA FUNDS	TOWN BARN PROJECT	2023 TOTALS	2022 TOTALS
ASSETS											
Cash	\$ 5,695	\$ 3,335	\$ 9,475	\$ -	\$ -	\$ 62,575	\$ -	\$ 561,788	\$ 2,443,554	\$ 3,086,422	\$ 1,191,246
Due From State and Federal	406,014	-	-	-	404,081	-	-	-	-	810,095	38,950
Due From Other Governments	-	-	-	-	-	-	555,207	-	-	555,207	912,761
TOTAL ASSETS	\$ 411,709	\$ 3,335	\$ 9,475	\$ -	\$ 404,081	\$ 62,575	\$ 555,207	\$ 561,788	\$ 2,443,554	\$ 4,451,724	\$ 2,142,957
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$ 379,285	\$ -	\$ -	\$ -	\$ 430,422	\$ -	\$ 262,160	\$ -	\$ 383,357	\$ 1,455,224	\$ 504,180
Due To Other Funds	-	52,607	9,475	2,470	205,836	300,000	374,313	-	25,817	970,518	1,210,505
Bond Anticiaption Notes Payable	-	-	-	-	-	-	-	-	7,200,000	7,200,000	-
Other Liabilities	-	-	-	-	-	-	-	561,788	-	561,788	562,205
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	833,945
TOTAL LIABILITIES	379,285	52,607	9,475	2,470	636,258	300,000	636,473	561,788	7,609,174	10,187,530	3,110,835
FUND BALANCES											
Assigned	32,424	-	-	-	-	-	-	-	-	32,424	75,109
Unassigned	-	(49,272)	-	(2,470)	(232,177)	(237,425)	(81,266)	-	(5,165,620)	(5,768,230)	(1,042,987)
TOTAL FUND BALANCES	32,424	(49,272)	-	(2,470)	(232,177)	(237,425)	(81,266)	-	(5,165,620)	(5,735,806)	(967,878)
TOTAL LIABILITIES AND FUND BALANCES	\$ 411,709	\$ 3,335	\$ 9,475	\$ -	\$ 404,081	\$ 62,575	\$ 555,207	\$ 561,788	\$ 2,443,554	\$ 4,451,724	\$ 2,142,957

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>AIRPORT</u>	<u>PUBLIC WATER AQUEDUCT</u>	<u>NAPANOCH SEWER</u>	<u>NAPANOCH WATER</u>	<u>KERHONSON SEWER</u>	<u>KERHONKSON WATER</u>	<u>WAWARSING WATER</u>	<u>ARPA FUNDS</u>	<u>TOWN BARN PROJECT</u>	<u>2023 TOTALS</u>	<u>2022 TOTALS</u>
REVENUES											
Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,165	\$ 7,165	\$ 1,220
Miscellaneous Local Sources	-	-	-	-	-	-	2,148,212	-	-	2,148,212	7,093,085
State Aid	25,489	-	-	-	-	-	-	-	-	25,489	-
Federal Aid	532,473	-	-	-	750,312	-	-	-	-	1,282,785	289,606
TOTAL REVENUES	557,962	-	-	-	750,312	-	2,148,212	-	7,165	3,463,651	7,383,911
EXPENDITURES											
Capital Outlay	600,647	-	-	2,470	814,971	-	2,217,823	-	4,702,507	8,338,418	7,744,518
TOTAL EXPENDITURES	600,647	-	-	2,470	814,971	-	2,217,823	-	4,702,507	8,338,418	7,744,518
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,685)	-	-	(2,470)	(64,659)	-	(69,611)	-	(4,695,342)	(4,874,767)	(360,607)
OTHER FINANCIAL SOURCES (USES)											
Operating Transfers In	-	-	9,523	-	64,622	-	-	-	-	74,145	-
Premiums on Obligations	-	-	-	-	-	-	-	-	32,694	32,694	-
NET CHANGE IN FUND BALANCE	(42,685)	-	9,523	(2,470)	(37)	-	(69,611)	-	(4,662,648)	(4,767,928)	(360,607)
FUND BALANCE - Beginning of Year	75,109	(49,272)	(9,523)	-	(232,140)	(237,425)	(11,655)	-	(502,972)	(967,878)	(607,271)
FUND BALANCE - End of Year	\$ 32,424	\$ (49,272)	\$ -	\$ (2,470)	\$ (232,177)	\$ (237,425)	\$ (81,266)	\$ -	\$ (5,165,620)	\$ (5,735,806)	\$ (967,878)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2023

<u>GRANTOR AGENCY</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>EXPENDITURES CURRENT YEAR</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through NYS Homes and Community Renewal:			
CDBG Small Cities Program	14.228	1215PR183-21	13,200
CDBG Small Cities Program	14.228	1215PR167-22	<u>737,112</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>750,312</u>
DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program	20.106	N/A	<u>532,473</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>532,473</u>
DEPARTMENT OF AGRICULTURE			
Summer Food Service Program	10.559	N/A	<u>101,183</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>101,183</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 1,383,968</u>

TOWN OF WAWARSING SCHOOL DISTRICT
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 DECEMBER 31, 2023

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Town of Wawarsing. The Town of Wawarsing’s reporting entity is defined in Note 1 to the Town’s basic financial statements. All federal financial assistance passed through other governmental agencies are included on the schedule.

The Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town’s basic financial statements.

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the Town’s basic financial statements as follows:

Governmental Funds:

General Town Wide	\$ 101,183
Capital Fund	<u>1,282,785</u>
TOTAL	<u>\$ 1,383,968</u>

LOAN PROGRAMS

In September 2020, the Town drew down \$1,748,000 in USDA loan proceeds to pay off short term debt, and \$807,000 in USDA loan proceeds pay 2020 expenditures. As of December 31, 2023, the Town had \$2,400,000 in outstanding USDA loans.

TOWN OF WAWARSING, NEW YORK
 SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
 YEAR ENDED DECEMBER 31, 2023

<u>GRANTOR AGENCY / PROGRAM DESCRIPTION</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>NYS GRANT REFERENCE #</u>	<u>TOTAL EXPENDITURES</u>
DEPARTMENT OF TRANSPORTATION			
Consolidated Highway Improvement Program	N/A	N/A	<u>\$ 783,416</u>

TOWN OF WAWARSING, NEW YORK
NOTES TO SCHEDULE OF STATE
TRANSPORTATION ASSISTANCE EXPENDED
DECEMBER 31, 2023

BASIS OF PRESENTATION

The accompanying Schedule of State Transportation Assistance Expended presents the activity of all financial assistance programs provided by the New York State Department of Transportation and administered by the Town of Wawarsing, New York, of which it is aware and informed that such funds would require separate audit procedures from those normally performed on federal funds received.

BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented using the modified accrual basis of accounting.

MATCHING COSTS

The Town of Wawarsing, New York's share of program costs, if applicable, are not included in the reported expenditures.

SUBRECIPIENTS

No State Transportation Assistance received by the Town of Wawarsing, New York was provided to subrecipients.

RELATIONSHIP TO THE FINANCIAL STATEMENTS

Schedule of State Transportation Assistance Expended are reported in the Town's financial statements as follows:

Governmental Funds:	
Highway DB Fund	<u>\$ 783,416</u>

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 Supervisor and Board Members of
The Town of Wawarsing
Ellenville, New York

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

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wawarsing, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cooper Arias, LLP

Mongaup Valley, New York
October 31, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Supervisor and Board Members of
The Town of Wawarsing
Ellenville, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Wawarsing, New York's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Wawarsing, New York's major federal programs for the year ended December 31, 2023. The Town of Wawarsing, New York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Wawarsing, New York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Wawarsing, New York and to meet our ethical requirements, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Town of Wawarsing, New York's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Wawarsing, New York's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Wawarsing, New York's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Wawarsing, New York's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Wawarsing, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Wawarsing, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wawarsing, New York's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cooper Arias, LLP

Mongaup Valley, New York
October 31, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE OVER
STATE TRANSPORTATION ASSISTANCE PROGRAMS
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Supervisor and Town Board of
the Town of Wawarsing
Ellenville, New York

We have audited the Town of Wawarsing, New York's, compliance with the types of compliance requirements described in the preliminary draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each of the Town's State transportation assistance programs tested for the year ended December 31, 2023. The programs tested are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for the Financial Statements

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State transportation programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's State transportation assistance programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and draft Part 43 of NYCRR. Those standards and draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a State transportation assistance program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each State transportation assistance program tested. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on State Transportation Assistance Program Tested

In our opinion, the Town of Wawarsing, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its State transportation assistance programs tested for the year ended December 31, 2023.

Report on Internal Control Over Compliance

Management of the Town of Wawarsing, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Wawarsing, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each State transportation assistance programs tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the State transportation assistance programs tested and to test and report on internal control over compliance in accordance with draft Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Wawarsing, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State transportation assistance program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State transportation assistance program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of management, the Board, others within the Town of Wawarsing, New York and the New York State Department of Transportation. It is not intended to be, and should not be, used by anyone other than these specified parties.

Cooper Arias, LLP

Mongaup Valley, New York
October 31, 2024

TOWN OF WAWARSING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on the financial statements of the Town of Wawarsing.
2. There were no significant deficiencies disclosed during the audit of the financial statements of the Town of Wawarsing.
3. No instances of non-compliance material to the financial statements of the Town of Wawarsing, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of internal control over major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the Town of Wawarsing expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported on this schedule.
7. The programs tested as major programs included:

CDBG Small Cities Program	14.228
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8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Town of Wawarsing was determined to be a high-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Awards Program Audit

None

TOWN OF WAWARSING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE
TRANSPORTATION ASSISTANCE EXPENDED
DECEMBER 31, 2023

Summary of Auditors' Results:

1. The auditors' report on compliance expresses an unmodified opinion on all programs tested.
2. There were no significant deficiencies or material weaknesses disclosed during the audit of internal control over New York State transportation assistance expended.
3. The programs tested included:

Consolidated Highway Improvement Program	<u>\$ 783,416</u>
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Compliance Findings and Questioned Costs

None noted.

TOWN OF WAWARSING
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023

No findings noted in the prior year.