

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 1, 2020

NEW ISSUE – SERIAL BONDS

RATING - MOODY'S INVESTORS SERVICE: " "

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

The Town will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

\$8,000,000

**TOWN OF NEW PALTZ
ULSTER COUNTY, NEW YORK
(the "Town")**

PUBLIC IMPROVEMENT SERIAL BONDS – 2020

Dated: September 23, 2020

**Principal Due: September 1, 2021-2040, inclusive
Interest Due: Semiannually on March 1 and
September 1 in each year to maturity,
commencing March 1, 2021**

SEE BOND MATURITY SCHEDULE HEREIN

The Bonds are general obligations of the Town of New Paltz, Ulster County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law" herein).

The Bonds maturing on September 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Town, as a whole or in part, on any date on or after September 1, 2027. (See "Optional Redemption" under "THE BONDS," herein.)

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

If registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds registered in the name of the purchaser. Principal of and interest on such Bonds will be payable in Federal Funds by the Town, at such bank or trust company located and authorized to do business in the State of New York as selected by the purchaser.

If issued in book-entry form, the Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds 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 (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) 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 Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "Description of Book-Entry System" under "THE BONDS," herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on September 10, 2020, in accordance with the Notice of Sale dated September 1, 2020.

The Bonds are offered subject to the final approving opinion of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel, and certain other conditions. The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the Town, expresses no opinion on 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 Bonds, including this Official Statement and the appendices hereto. It is expected that delivery of the Bonds will be made on or about September 23, 2020 in New York, New York, or as otherwise agreed to by the Town and the purchaser(s).

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE TOWN FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

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

\$8,000,000 PUBLIC IMPROVEMENT SERIAL BONDS - 2020

BOND MATURITY SCHEDULE

Dated: September 23, 2020

Principal Due: September 1, 2021-2040, inclusive
Interest Due: Semiannually on March 1 and
September 1 in each year to maturity,
commencing March 1, 2021

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2021	\$ 105,000			
2022	340,000			
2023	345,000			
2024	350,000			
2025	360,000			
2026	365,000			
2027	380,000			
2028	385,000**			
2029	395,000**			
2030	400,000**			
2031	415,000**			
2032	425,000**			
2033	430,000**			
2034	440,000**			
2035	450,000**			
2036	460,000**			
2037	475,000**			
2038	480,000**			
2039	495,000**			
2040	505,000**			

* Amounts are subject to adjustment by the Town following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.

**Subject to prior redemption.

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

52 Clearwater Road
New Paltz, NY 12561
Telephone: 845/255-0604

TOWN BOARD

Neil Bettez, Supervisor

Alex Baer
David Brownstein
Julie Seyfert-Lillis
Dan Torres

Rosanna Rosenkranse, Town Clerk/Tax Collector
Jean Gallucci, Town Comptroller

* * *

BOND COUNSEL

The Law Offices of Jeffrey E. Storch
New York, New York

* * *

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

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Port Jefferson Station, N.Y. 11776
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No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information 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 since the date hereof.

TABLE OF CONTENTS

	Page
THE BONDS	1
Description of the Bonds	1
Optional Redemption.....	2
Description of Book-Entry System.....	2
Certificated Bonds	3
Authorization and Purpose	4
Nature of Obligation.....	4
MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE	4
REMEDIES UPON DEFAULT	5
MUNICIPAL BANKRUPTCY	6
Financial Control Boards.....	7
No Past Due Debt	8
THE TOWN	8
General Information	8
Governmental Organization.....	8
Employees	9
DEMOGRAPHIC AND STATISTICAL INFORMATION	9
Population	9
Income Data.....	9
Summary of Building Activity	10
Unemployment Rate Statistics.....	10
Selected Listing of Larger Employers within the County of Ulster	11
INDEBTEDNESS OF THE TOWN	12
Constitutional Requirements.....	12
Statutory Procedure	12
Computation of Debt Limit and Calculation of Net Debt Contracting Margin	14
Debt Service Requirements - Outstanding Bonds	15
Trend of Town Indebtedness	15
Authorized but Unissued Indebtedness	15
Capital Program	15
Calculation of Estimated Overlapping and Underlying Indebtedness.....	15
Debt Ratios	16
FINANCES OF THE TOWN	16
Financial Statements and Accounting Procedures.....	16
<i>Fund Structure and Accounts</i>	16
<i>Basis of Accounting</i>	16
Investment Policy	17
Budgetary Procedures.....	17

TABLE OF CONTENTS - CONTINUED

	Page
Financial Operations	17
The State Comptroller's Fiscal Stress Monitoring System and Audit	18
Revenues.....	18
<i>Real Property Taxes</i>	18
State Aid	18
Expenditures	19
Pension Systems	19
Contributions to the Retirement Systems	21
Other Post-Employment Benefits	21
REAL PROPERTY TAX INFORMATION	22
Real Property Taxes.....	22
Tax Collection Record.....	23
Percentage of Revenues – Real Property Taxes	23
Tax Collection Procedure	23
Tax Levy Limit Law	23
Selected Listing of Large Taxable Properties.....	24
CYBERSECURITY	25
IMPACT OF COVID-19	25
LITIGATION	25
TAX MATTERS	25
Opinion of Bond Counsel	25
Original Issue Discount and Original Issue Premium.....	27
DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS	27
Legal Matters	27
Closing Certificates	28
DISCLOSURE UNDERTAKING	28
BOND RATING	28
MUNCIPAL ADVISOR	28
ADDITIONAL INFORMATION	29
APPENDIX A: FINANCIAL INFORMATION	
APPENDIX B: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019	
APPENDIX C: FORM OF CONTINUING DISCLOSURE	

OFFICIAL STATEMENT

\$8,000,000

TOWN OF NEW PALTZ ULSTER COUNTY, NEW YORK

PUBLIC IMPROVEMENT SERIAL BONDS – 2020

This Official Statement and the appendices hereto present certain information relating to the Town of New Paltz, in the County of Ulster, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$8,000,000 Public Improvement Serial Bonds – 2020 (the “Bonds”) of the Town.

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 Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town’s overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See “*IMPACT OF COVID-19*” herein.

THE BONDS

Description of the Bonds

The Bonds will be dated September 23, 2020, and will mature on September 1, in each of the years 2021 to 2040, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

If registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds registered in the name of the purchaser. Principal of and interest on such Bonds will be payable in Federal Funds by the Town, at such bank or trust company located and authorized to do business in the State of New York as selected by the purchaser.

If issued in book-entry form, the Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their interest in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on said Bonds 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 (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) 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 Direct Participants (as hereinafter defined) 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*” under “*THE BONDS*,” herein).

The Record Date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

The Town will act as Fiscal Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town’s contact information is as follows: Jean Gallucci, Town Comptroller, Town of New Paltz, 52 Clearwater Road, New Paltz, New York, 12561, telephone number 845/255-0604 Ext. 108, Email: jgallucci@townofnewpaltz.org.

Optional Redemption

The Bonds maturing on or before September 1, 2027 will not be subject to redemption prior to maturity. The Bonds maturing on September 1, 2028 and thereafter will be subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after September 1, 2027, at par plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Description of Book-Entry System

DTC will act as Securities Depository for the Bonds, if issued as book-entry bonds. Such Bonds will be issued as fully registered securities, 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 bond certificate will be issued for each maturity of the Bonds and deposited with DTC.

DTC is 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 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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") and together with Direct Participant, the ("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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts 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.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 upon DTC's receipt of funds and corresponding detail information from the Town on the payable date, 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 (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of 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.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Certificated Bonds

Principal of and interest on Bonds that are registered in the name of the purchaser will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

If the Bonds are issued as book-entry bonds registered in the name of Cede & Co., DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: The Bonds will be in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Town as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and Laws of the State of New York, including among others, the Local Finance Law, the Town Law and a bond resolution duly adopted by the Town Board of the Town on the date and for the following purpose:

Date of Authorization	Purpose	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Total Amount to be Issued
07/18/2019	Acquisition, Construction and Installation of New Facilities for the Town Police Department and Town Justice Court	\$ 2,500,000	\$ 0	\$ 5,500,000	\$ 8,000,000
		<u>\$ 2,500,000</u>	<u>\$ 0</u>	<u>\$ 5,500,000</u>	<u>\$ 8,000,000</u>

Nature of Obligation

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

The Bonds 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. For the payment of such principal and interest, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See “*Tax Levy Limit Law*”, herein).

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 Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended (the “*Tax Levy Limit Law*”), imposes a limitation upon the Town’s power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in the *Tax Levy Limit Law*, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*,” herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The Town’s credit rating could be affected by circumstances beyond the Town’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town’s credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of the holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The Town's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Bonds. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town could impair the financial condition of such entities, including the Town and the ability of such entities, including the Town, to pay debt service on the Bonds.

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Town default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law 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.

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the 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.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may 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.

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State.

Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any 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. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

No current state law purports to create any priority for holders of the Bonds 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 above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality 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 in certain cases approve or disapprove collective bargaining agreements. Implementation is generally 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, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the 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 a 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 in the finances and operations of entities 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 applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

No Past Due Debt

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

THE TOWN

There follows in this Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

General Information

The Town, is located in the southeastern part of Ulster County about 90 miles north of New York City and is just south of the City of Kingston. According to the 2018 census estimate, the estimated population is 14,214. The Town was founded in 1678 by French Huguenots.

The Town is arguably best known around the world for its outdoor attractions. The Town offers a host of trail options for hikers & bicyclists, with some of the best views of the Hudson Valley. The area also boasts an amazingly diverse range of cuisines, as well as twelve wineries on the Shawangunk Wine Trail.

The Town is accessible by a number of different roads. Interstate 87 (the New York State Thruway) is the main thoroughfare and passes through the eastern part of the Town. State routes that traverse through the Town are Route 32, Route 208, and Route 299. The nearest train station is about 11 miles away in Poughkeepsie, which is serviced by both Amtrak and Metro-North. Adirondack Trailways also provides bus transportation to and from the Town to various locations across multiple states.

The State University of New York at New Paltz, one of the largest employers in the County, is located in the Town.

Governmental Organization

One independently governed school district is located partially within the Town, which relies on its own taxing powers granted by the State to raise revenues. The school district uses the Town's assessment roll as the basis for taxation of property located within the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, along with any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The Town Board is comprised of five members, including the Supervisor, all elected at-large (representing the entire Town, not a specific area.) Together, these five elected officials comprise the legislative branch of the government. Each member has one vote with a majority vote required for the passage of most legislation. The Supervisor, elected to a four-year term, is the presiding member of the Town Board and is the chief fiscal officer of the Town. Members are elected to four-year terms during odd numbered years, where only two may run at a time. There is no limitation to the number of terms each may serve. Board members are responsible for passage of all legislation, the adoption of the Town's capital budget and making all decisions relating to personnel matters and property rezoning. Every year, each board member is assigned various liaisons by the Supervisor.

The Town Clerk serves as custodian of the Town's records, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. The Clerk is elected to a four-year term and the number of terms is unlimited. Other officers of the Town include: two Town Justices, each elected to a four-year term; the Highway Superintendent, elected to a four-year term; and the Town Comptroller and Town Attorney, who are appointed by and serve at the pleasure of the Town Board.

Source: Town Officials

Employees

The Town provides services through approximately 111 full-time employees, 28 part-time employees and 2 per diem employees. Union representation of full time employees is as follows:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Contract Expiration Date</u>
UPSEU - General	14	12/31/2022
UPSEU - Blue Collar	13	12/31/2022
PBA	32	12/31/2017

a. Currently under negotiations.

DEMOGRAPHIC AND STATISTICAL INFORMATION

Population

<u>Year</u>	<u>Town of New Paltz</u>	<u>Ulster County</u>	<u>New York State</u>
1990	NA	165,304	17,990,455
2000	NA	177,749	18,976,457
2010	13,909	182,493	19,378,102
2018	14,214	178,599	19,542,209

Source: U.S. Census Bureau.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2018^a</u>
Town of New Paltz	NA	NA	\$63,217	\$72,500
County of Ulster	34,033	42,551	56,434	63,348
State of New York	39,741	51,691	67,405	65,323

	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2018^a</u>
Town of New Paltz	NA	NA	\$26,846	\$30,618
County of Ulster	14,921	20,842	28,532	33,879
State of New York	16,501	23,389	30,948	37,470

Source: United States Department of Commerce, Bureau of the Census.

Summary of Building Activity

The chart below represents the level of building permit activity for the five most recently completed fiscal years.

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Value of Building Permits Issued</u>
2015	283	573,311
2016	297	5,164,171
2017	285	4,159,150
2018	265	1,021,393
2019	299	4,700,621

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 the County. The information set forth below with respect to such County is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Town is necessarily representative of the County, or vice versa.

<u>Annual Averages:</u>	<u>Ulster County (%)</u>	<u>New York State (%)</u>
2015	4.9	5.3
2016	4.3	4.9
2017	4.6	4.7
2018	3.9	4.1
2019	3.8	4.0
2020 (6 month average)	8.2	10.8

Source: Department of Labor, State of New York.

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Selected Listing of Larger Employers within the County of Ulster

Non-Retail Employers

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
County of Ulster	A	Government	Kingston
Health Alliance of the Hudson Valley	A	Health Services	Kingston/New Paltz
State Correctional Facilities	A	Correctional Services	Wallkill/Napanoch
SUNY New Paltz	A	Educational Services	New Paltz
Bank of America, N.A.	B	Finance	Kingston
Mohonk Mountain House	B	Resort/Hotel	New Paltz
SUNY Ulster	B	Educational Services	Stone Ridge
BOCES	C	Educational Services	New Paltz/Port Ewen
City of Kingston	C	Government	Kingston
Hudson Valley Resort & Spa	C	Resort/Hotel	Kerhonkson
Kingston Consolidated School District	C	Educational Services	Kingston
Northeast Center for Special Care	C	Health Services	Lake Katrine
Ten Broeck Commons	C	Health Services	Lake Katrine
Honor's Haven	C	Resort/Hotel	Ellenville
Ulster Savings	C	Finance/Insurance	Kingston
Ametek Rotron	D	Electrical Manufacturing	Woodstock
Brooklyn Bottling Company	D	Food Manufacturing	Milton
CH Energy Group	D	Utility	Kingston
Ellenville Central School District	D	Educational Services	Ellenville
Ellenville Regional Hospital	D	Health Services	Ellenville
Elna Magnetics	D	Electrical Manufacturing	Saugerties
Fair Rite Products	D	Electronic Manufacturing	Wallkill
Fala Technologies	D	Electronic Manufacturing	Kingston
Full Moon Resort	D	Resort/Hotel	Shandaken
Gateway Community Industries	D	Miscellaneous Manufacturing	Kingston
GHI Insurance	D	Insurance	Lake Katrine
HUCK International	D	Metal Manufacturing	Kingston

Retail Businesses

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
Wal-Mart	B	Retail – All	Kingston
Hannaford	C	Retail - Grocery	Kingston (2)/Highland/Plattekill
Adams Fairacre Farms	D	Retail – Grocery/Garden	Kingston
Home Depot	D	Retail – Home Supply	Kingston
Kohl's	D	Retail – Department Store	Kingston
Lowes	D	Retail – Home Supply	Kingston/Highland
Price Chopper	D	Retail – Grocery	Saugerties
Sam's Club	D	Retail – All	Kingston
Shop Rite	D	Retail – Grocery	Kingston/New Paltz
Target	D	Retail – Department Store	Kingston

Key:

A Greater than 1,000 employees

B 500-999 employees

C 250-499 employees

D 100-249 employees

Source: Ulster County Official Statement dated August 1, 2019.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

The State Constitution limits the power of the Town (as well as other municipalities and school districts of the State) to issue obligations and contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the Town and the Bonds:

Purpose and Pledge. 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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 periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

In general, the State Legislature has authorized the power 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 the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. The Town has complied with such requirement with respect to the bond resolution authorizing the issuance of the Bonds.

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 and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

In addition, under each bond resolution, the Town Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Town Supervisor, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof 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 and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of September 1, 2020)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2015	\$1,968,758,862	101.00	\$1,949,266,200
2016	1,979,592,294	100.00	1,979,592,294
2017	1,987,588,793	100.00	1,987,588,793
2018	1,991,021,700	100.00	1,991,021,700
2019	1,999,432,624	95.00	<u>2,104,665,920</u>
Total Five Year Full Valuation			\$10,012,134,907
Average Five Year Full Valuation			2,002,426,981
Debt Limit - 7% of Average Full Valuation			140,169,889
Inclusions:			
Outstanding Bonds:			
General Purposes			220,000
Sewer Purposes			12,350
Water Purposes			<u>0</u>
Sub-Total			232,350
Outstanding Bond Anticipation Notes:			
General Purposes			3,056,560
Sewer Purposes			221,000
Water Purposes			<u>157,500</u>
Sub-Total			3,435,060
Total Inclusions			<u>3,667,410</u>
Exclusions:			
Water Debt			157,500
Bond Appropriations			0
Note Appropriations			<u>0</u>
Total Exclusions			157,500
Total Net Indebtedness			<u>3,509,910</u>
Net Debt Contracting Margin			<u><u>\$136,659,979</u></u>
Percent of Debt Limit Exhausted			2.50%

a. Equalization rates are established by the New York State Office of Real Property Tax Services.

b. Water and Sewer Indebtedness and budgeted appropriations are excluded pursuant to provisions of the New York State Constitution and Section 136.00 of the Local Finance Law.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31:	Principal	Interest	Total
2020	\$ 59,500	\$10,042	\$ 69,542
2021	59,500	7,957	67,457
2022	59,500	5,871	65,371
2023	58,350	3,824	62,174
2024	55,000	1,925	56,925
Totals:	<u>\$291,850</u>	<u>\$29,618</u>	<u>\$321,468</u>

Trend of Town Indebtedness

	Fiscal Year Ending December 31:				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Outstanding End of Year:					
Bonds	\$ 529,050	\$ 469,950	\$ 410,850	\$ 351,350	\$ 291,850
BANs	<u>707,400</u>	<u>826,400</u>	<u>1,249,880</u>	<u>1,091,920</u>	<u>3,435,060</u>
Total Debt Outstanding	<u>\$1,236,450</u>	<u>\$1,296,350</u>	<u>\$1,660,730</u>	<u>\$1,443,270</u>	<u>\$3,726,910</u>

Authorized but Unissued Indebtedness

The Town has authorized but unissued debt in the amount of \$9,231,000 for the design and construction of a water supply system in Water District No. 5.

Capital Program

The Town is generally responsible for providing services as required to the citizens on a Town-wide basis. The Town maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance. In addition, the Town owns, operates, maintains and improves recreation facilities. The Town generally has provided the financing for water and sewer purposes and maintains primary responsibility for these functions. In general, capital funding for the above described projects for which the Town has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	Percentage <u>Applicable (%)</u>	Applicable Total <u>Indebtedness</u>	Applicable Net <u>Indebtedness</u>
County of Ulster	06/27/2020	11.78	\$14,932,221	\$13,858,093
Village of New Paltz	11/15/2019	100.00	6,272,680	670,680
New Paltz CSD	12/20/2019	90.00	42,705,000	17,082,000
New Paltz FD	12/31/2018	100.00	<u>0</u>	<u>0</u>
Totals:			<u>\$63,909,901</u>	<u>\$31,610,773</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with and published by the Office of the State Comptroller, or more recently published Statements.

Debt Ratios
(As of September 1, 2020)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$ 3,667,410	\$ 258	0.17
Net Direct Debt	3,509,910	247	0.17
Total Direct & Applicable Total Overlapping Debt	67,577,311	4,754	3.21
Net Direct & Applicable Net Overlapping Debt	35,120,683	2,471	1.67

a. The current estimated population of the Town is 14,214.

b. The full valuation of taxable real property is \$2,104,665,920.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2019. A copy of such report is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Town also prepares an Annual Financial Report Update Document (Unaudited) (the "AUD") that is filed with the State Comptroller.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2015-2019 fiscal years.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following governmental funds: General Fund, Highway Funds, Sewer Fund and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting, that is when the related fund liability is incurred. Exceptions to this general rule are: (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, 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; (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 are 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 in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the Town, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. The Town is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts 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 its municipalities and school districts.

Budgetary Procedures

The Town Board prepares a preliminary budget in the Fall of each year and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

Chapter 97 of the Laws of 2011 imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. All budgets of the Town adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law (the "Tax Levy Limit Law").

Financial Operations

The Town Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. During the absence of the Supervisor, the Deputy Supervisor may generally exercise the Supervisor's powers.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and the issuance of bonded debt. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

Town finances are operated primarily through the General, and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water and sewer districts, which are accounted for within separate funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System and Audit

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 most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 8.3%).

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years for which financial statements are available may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information," herein.

State Aid

The Town receives financial assistance from the State. 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. Additionally, 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 this year of future years, 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.

The Town received approximately 3.37% of its total operating revenue from State aid in 2019. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal monies made available to pay State aid in future years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

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. Currently, due the outbreak of COVID-19, the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2015 through 2019 and as budgeted, for 2020.

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Total Revenue</u>	<u>State Aid</u>	<u>State Aid To Revenues (%)</u>
2015	\$7,816,699	\$566,265	7.24
2016	7,100,399	227,657	3.21
2017	7,562,636	275,229	3.64
2018	8,753,032	472,416	5.40
2019	8,973,069	302,532	3.37
2020 (Budgeted)	9,107,710	191,745	2.11

Source: Audited financial statements (2015-2019), and Adopted Budget of the Town (2020).

Expenditures

The major categories of expenditure for the Town are General Government Support, Public Safety, Health, Transportation, Culture and Recreation, Home & Community Services, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A - Financial Statements.

Pension Systems

Substantially all employees of the Town are members of the State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS" and together with ERS, the "Retirement System"), a cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the State Retirement system and Social Security Law (the "Retirement System Law"). The Retirement System 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 ten 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, which are collected through annual billings to all participating employers. Generally, all full-time employees, participate in the Retirement System. ERS is non-contributory with respect to members hired prior to July 27, 1976. All ERS members hired on or after July 27, 1976, with less than ten years' experience, must contribute 3% of gross annual salary toward the cost of retirement programs. The PFRS is non-contributory for all police and fire fighters.

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 Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% (percentage dependent on tier) of payroll for the ERS and PFRS, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments. While the Town is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for the ERS and PFRS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS and PFRS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the revised system, a contribution for a given fiscal year is based on the valuation of the pension fund on April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in the budget for the ensuing year.

On July 30, 2004, then Governor Pataki signed into law Chapter 260 of the Laws of 2004 ("Chapter 260"). Chapter 260 contains three components which alter the way municipalities and school district contribute to the state pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of the provisions of Chapter 260, the annual retirement bill sent to municipalities and school districts from the state has reflected pension payments due between April 1 and March 31, consistent with the state fiscal year.

Chapter 260 provides for the following changes:

- **Contribution Payment Date Change:** The law changed the date on which local pension contributions are due to the State. The annual required contribution became due February 1 annually instead of December 15.
- **Pension Contributions Reserve Fund:** The law created special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

The investment of monies, and assumptions underlying same, of the Retirement Systems 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 Retirement Systems ("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 contract the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

On December 10, 2009, then Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier 5 pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier 5 include:

- Raising the minimum age at which most civilian 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 contribution 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from five years to ten 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 and firefighters at 15% of non-overtime wages.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS and PFRS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years. The Town has decided not to amortize any payments to the Retirement System.

The following table presents the amount of payments by the Town to the New York State Retirement Systems for the past five years.

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	Employees' <u>Retirement System</u>	Policemen's & Firemen's <u>Retirement System</u>	<u>Total</u>
2015	\$343,775	\$356,254	\$700,029
2016	318,745	389,226	707,971
2017	317,807	394,130	711,937
2018	319,332	395,796	715,128
2019	326,013	412,434	738,447

Other Post-Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, 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. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

<u>Changes in the Total OPEB Liability</u>	<u>Fiscal Year Ending December 31, 2019:</u>
Total OPEB liability as of December 31, 2018	\$33,624,020
Changes for the year:	
Service Cost	972,129
Interest	1,209,652
Changes in Benefit Terms	
Differences between actual and expected experience	(1,853,442)
Changes in Assumptions and Other Inputs	2,438,295
Benefit payments	(783,627)
Total Changes	<u>\$1,983,007</u>
Total OPEB liability as of December 31, 2019	<u><u>\$35,607,027</u></u>

The State Comptroller has proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The Town cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the Town be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Town's finances and could force the Town to reduce services, raise taxes or both.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Assessment valuations are determined by the Town assessor and the State Board of Real Property Services, which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations.

The Town derives a significant portion of its annual revenue through a direct real property tax. The following table presents the total tax levy tax rates and collection performance for each of the last five fiscal years.

Tax Collection Record

	Fiscal Year Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Levy:					
County	\$4,878,494	\$4,909,427	\$4,866,532	\$4,731,458	\$4,792,807
Town & Hwy	7,521,796	8,060,621	8,348,108	8,916,061	10,571,869
Special Districts:					
Water Districts	3,507	3,630	30,751	30,888	40,054
Sewer Districts	22,371	22,099	21,703	23,904	30,125
Drainage Districts	7,377	7,377	7,377	7,377	7,377
Fire District	284,899	363,138	436,825	390,670	365,966
Library Fund	466,000	466,000	556,000	556,000	556,000
Total Tax Levy	\$13,184,444	\$13,832,292	\$14,267,296	\$14,656,358	\$16,364,198
Tax Rate per \$1,000 Assessed Valuation (General & Highway)					
County					
Town & Hwy (TOV)	\$4.31	\$4.32	\$4.27	\$4.14	\$3.96
Town & Hwy (Townwide)	\$5.48	\$5.82	\$6.40	\$6.87	\$9.42

Source: Town Officials

Percentage of Revenues – Real Property Taxes

<u>Fiscal Year Ending December 31:</u>	<u>General Fund Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenue (%)</u>
2015	\$7,816,699	\$5,652,665	72.32
2016	7,100,399	5,599,231	78.86
2017	7,562,636	6,006,787	79.43
2018	8,753,032	6,651,967	76.00
2019	8,973,069	7,035,382	78.41
2020 (Budgeted)	9,107,710	7,401,492	81.27

Source: Audited financial statements (2015-2019) and Adopted Budget of the Town (2020).

Tax Collection Procedure

Taxes are due and payable January 1, payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the new York State Commissioner of Taxation and Finance. In June, unpaid taxes are returned to the County at which time an additional penalty is added and the total amount, plus additional fees is then payable to the County.

As far as the Town is concerned there are no uncollected taxes. The full amount of the Town items is also guarantee by the County.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law”) on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, continuing through May 31, 2020 as extended, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of the Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

The 2014 through 2019 Budgets did not exceed the tax levy limitation.

Selected Listing of Large Taxable Properties
2019 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
New Paltz Properties	Shopping Center	\$8,075,000
Central Hudson Gas & Electric	Utility	5,746,365
Storage Portfolio	Warehouse	5,200,000
New Paltz Housing	Apartments	4,866,660
New Paltz Hospitality LLC	Hotel	4,500,000
MCB-Eagle New Paltz LLC	Supermarket	3,300,000
New Paltz SNF Realty LLC	Aged Home	3,300,000
Mohonk Preserve, Inc.	Res Multiple	3,241,400
RD Croce Family Holdings LLC	Manufacture	2,675,000
Smiley Brothers Inc.	Resort Complex	2,536,000
Total ^a		<u>\$43,440,425</u>

a. The Town of New Paltz's 2019 assessment roll.

b. Represents 2.17% of the Town's 2019 Assessed Value.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cyber security and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town's network and systems and the costs of remediating any such damage could be substantial.

However, the Town has invested in a cloud based back up system. In the event of a serious attack or a ransom, the Town can duplicate its systems within an hour with little or no loss of information.

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town, in view of the Town's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law: (i) interest on the Bonds 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 not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume (without verifying) the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Town contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Town's certifications and representations or the continuing compliance with the Town's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Town may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Town has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market prices of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain "S corporations" (as defined in Section 1361 (a)(1) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress, and legislation affecting the exemption of interest thereon for purposes of taxation by the State may be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value of the Bonds. Investors in the Bonds should be aware that any such future legislative action (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Bonds may be adversely affected and the ability of holders to sell the Bonds in the secondary market may be reduced.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation, or any new case law and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the beneficial owners regarding the tax status of interest on the Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedure, the IRS will treat the Town as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Bonds.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (the “Discount Obligations”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Obligation. The issue price of a Discount Obligation is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Obligations of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation. A purchaser of a Discount Obligation in the initial public offering at the price for that Discount Obligation stated on the inside cover of this Official Statement who holds that Discount Obligation to maturity will realize no gain or loss upon the retirement of that Discount Obligation.

Certain of the Bonds (“Premium Obligations”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes premium. For federal income tax purposes, Obligation premium is amortized over the period to maturity of a Premium Obligation, based on the yield to maturity of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually. No portion of that premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Obligation, the owner’s tax basis in the Premium Obligation is reduced by the amount of premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation. A purchaser of a Premium Obligation in the initial public offering at the price for that Premium Obligation stated on the inside cover of this Official Statement, who holds that Premium Obligation to maturity (or, in the case of a callable Premium Obligation to its earlier call date that results in the lowest yield on that Premium Obligation) will realize no gain or loss upon the retirement of that Premium Obligation. Owners of Discount Obligations or Premium Obligations should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to Discount or Premium Obligations and as to other federal tax consequences and the treatment of OID and premium for purposes of state and local taxes on, or based on, income.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Legal Matters

Legal matters incident to the authorization, issuance, and sale of the Bonds will be subject to the final approving opinion of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the Town. Such opinions will be available at the time of delivery of and payment for the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the Town, for the payment of which the Town has validly pledged its faith and credit, and all the real property within the Town subject to taxation by the Town, is subject to the levy by the Town of ad valorem taxes, subject certain statutory limitations imposed by Chapter 97 of the New York laws, as amended, for payment of the principal of and interest on the Bonds.

Said opinion will also contain further statements to the effect that, assuming continuing compliance with certain covenants and the accuracy of certain representations of the Town contained in the records of proceedings relating to the authorization and issuance of the Bonds, (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code; (b) interest on the Bonds is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) the enforceability of the Bonds is subject to bankruptcy laws and other laws affecting creditors’ rights and the exercise of judicial discretion.

Closing Certificates

Upon delivery of and payment for the Bonds, the purchaser(s) of the Bonds will also receive, without cost, in form satisfactory to Bond Counsel, the following dated as of the date of delivery of and payment for the Bonds: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Bonds, (b) a certificate or certificates executed by the officer of the Town who executed the Bonds on behalf of the Town, stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Bonds, (2) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement relating to the Bonds, on the date thereof and on the date of delivery of and payment for the Bonds, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (c) a Tax Compliance Certificate executed by the Town Supervisor, (d) the unqualified legal opinion as to the validity of the Bonds of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel and (e) a Continuing Disclosure certificate relating to the Bonds, respectively, executed by the Town Supervisor for purposes of the Rule. (See Appendix C attached hereto).

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Town will provide an executed copy of its Undertaking to Provide Continuing Disclosure substantially as set forth in Appendix C.

BOND RATING

The Town has applied to Moody's for a rating on the Bonds and such rating is pending at this time. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's, 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Town's bonds or the availability of a secondary market for such bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. 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 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds 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.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of Jean Gallucci, Town Comptroller, Town of New Paltz, 52 Clearwater Road, New Paltz, New York, 12561, telephone number 845/255-0604 Ext. 108, Email: jgallucci@townofnewpaltz.org from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.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. Munistat Services, 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 Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, 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. Munistat Services, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or owners of any of the Bonds.

The Law Offices of Jeffrey E. Storch, has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness or fairness of the information contained herein, and accordingly, expresses no opinion with respect thereto.

The preparation and distribution of this Official Statement has been authorized by the Supervisor pursuant to bond resolutions of the Town which delegate to the Supervisor the power to sell and issue the Bonds.

This Official Statement has been duly executed and delivered by the Supervisor of the Town of New Paltz, New York.

By: s/s NEIL BETTEZ
Town of New Paltz
New Paltz, New York

September , 2020

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund - Town-Wide

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:					
Real Property Taxes	\$ 5,652,665	\$ 5,599,231	\$ 6,006,787	\$ 6,651,967	\$ 7,035,382
Other Tax Items	136,267	145,255	189,507	166,390	182,616
Non Property Tax Items	298,231	231,229	239,756	248,721	256,883
Departmental Income	347,992	275,863	258,489	297,703	335,042
Intergovernmental Changes	16,440	14,613	2,340		
Use of Money and Property	37,607	36,379	16,370	31,081	70,361
Licenses and Permits	75,425	3,894	3,385	4,598	4,490
Fines & Forfeitures	369,949	310,024	306,101	336,735	345,493
Sale of Property/Compensation for Loss	93,494	61,924	56,061	37,761	98,945
Misc. Local Sources	222,364	184,195	205,417	505,660	341,325
State Aid	566,265	227,657	275,229	472,416	302,532
Federal Aid		10,135	3,194		
Total Revenues	<u>7,816,699</u>	<u>7,100,399</u>	<u>7,562,636</u>	<u>8,753,032</u>	<u>8,973,069</u>
Expenditures:					
General Government Support	1,545,898	1,577,139	1,376,403	1,395,197	1,367,734
Public Safety	2,719,116	2,505,194	2,565,242	2,772,839	2,830,171
Health	150,000	159,363	222,216	229,156	236,610
Transportation	88,655	85,942	81,221	73,701	74,593
Economic Assistance	34,653	39,966	53,706	44,468	33,979
Culture and Recreation	393,707	421,735	418,146	483,189	538,896
Home and Community Services	259,396	219,565	252,574	304,156	337,736
Employee Benefits	2,565,590	2,537,339	2,674,803	2,848,768	2,888,977
Debt Service	134,052	433,446	138,163	136,135	144,615
Capital Outlay	389,476				
Total Expenditures	<u>8,280,543</u>	<u>7,979,689</u>	<u>7,782,474</u>	<u>8,287,609</u>	<u>8,453,311</u>
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt	320,000				
Operating Transfers In	5,000				1,803
Operating Transfers Out	(421,083)	(320)			(11,390)
Total Other Financing Sources (Uses)	<u>(96,083)</u>	<u>(320)</u>	<u>0</u>	<u>0</u>	<u>(9,587)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(559,927)	(879,610)	(219,838)	465,423	510,171
Fund Balance Adjustments	525,312	(456,888)	(2,280)	(3,765)	
Fund Balance Beginning of Year	2,773,244	2,738,629	1,402,131	1,180,013	1,641,671
Fund Balance End of Year	<u>\$ 2,738,629</u>	<u>\$ 1,402,131</u>	<u>\$ 1,180,013</u>	<u>\$ 1,641,671</u>	<u>\$ 2,151,842</u>

Sources: Audited Annual Financial Reports of the Town (2015-2019)

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Highway Fund - Part Town

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:					
Real Property Taxes	\$ 1,822,337	\$ 1,648,757	\$ 1,740,195	\$ 1,321,785	\$ 1,368,055
Departmental Income					
Intergovernmental Changes	704				
Use of Money and Property	658	592	727	4,994	9,683
Licenses and Permits	750	750	450	300	750
Sale of Property/Compensation for Loss	308	42,041	20,793	3,632	24,991
Misc. Local Sources	33,416	22,079	22,103	23,087	28,493
Interfund Revenues		233	403		
State Aid	134,717	145,264	149,351	29,387	56,089
Federal Aid			20,748		
Total Revenues	<u>1,992,890</u>	<u>1,859,716</u>	<u>1,954,770</u>	<u>1,383,185</u>	<u>1,488,061</u>
Expenditures:					
General Government Support	28,019	30,562	25,698	28,730	32,310
Public Safety	29,256				
Transportation	1,367,714	1,228,064	1,215,114	874,022	968,085
Employee Benefits	452,545	439,911	440,374	431,907	463,599
Debt Service	141,935	69,434	64,204	66,728	103,400
Capital Outlay	90,048				
Total Expenditures	<u>2,109,517</u>	<u>1,767,971</u>	<u>1,745,390</u>	<u>1,401,387</u>	<u>1,567,394</u>
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt	66,787				
Operating Transfers In					
Operating Transfers Out					
Total Other Financing Sources (Uses)	<u>66,787</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(49,840)	91,745	209,380	(18,202)	(79,333)
Fund Balance Adjustments		(82,101)		3,765	
Fund Balance Beginning of Year	401,685	351,845	361,489	570,869	556,432
Fund Balance End of Year	<u>\$ 351,845</u>	<u>\$ 361,489</u>	<u>\$ 570,869</u>	<u>\$ 556,432</u>	<u>\$ 477,099</u>

Sources: Audited Annual Financial Reports of the Town (2015-2019)

NOTE: This Schedule NOT audited.

BALANCE SHEET - GENERAL & MAJOR TOWN FUNDS
Fiscal Year Ending December 31, 2019

<u>Assets</u>	<u>General Fund Town-Wide</u>	<u>Highway Fund Part-Town</u>	<u>Capital Projects Fund</u>	<u>Non-Major* Fund</u>
Cash	\$ 2,084,758	\$ 247,784	\$ 184,439	\$ 1,332,347
Cash and Cash equivalents- Restricted	244,894	90,393	1,187,828	15,247
Other Receivables	8,449	3,414		256,317
Due from Other Funds	216,983	162,956	4,265	129,699
Due from Other Governments	154,297		121,752	
Prepaid Expenses	212,422	18,501		76,178
State and Federal Aid Receivables	30,348	8,489		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>2,952,151</u>	\$ <u>531,537</u>	\$ <u>1,498,284</u>	\$ <u>1,809,788</u>
 <u>Liabilities</u>				
Accounts Payable	\$ 76,019	\$ 41,335	\$ 6,610	\$ 20,459
Accrued Liabilities	287,758	12,326		12,133
Due to Other Funds	25,237	777	138,264	155,112
Due to Other Governments	28,795			162,870
Deferred Revenues				
Notes Payable			3,483,360	
Other	382,500			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>800,309</u>	<u>54,438</u>	<u>3,628,234</u>	<u>350,574</u>
 <u>Fund Equity</u>				
Fund Balance:				
Nonspendable	212,422	18,501		108,235
Restricted	244,894	90,393		15,247
Assigned		368,205	198,465	1,390,990
Unassigned	1,694,526		(2,328,415)	(55,258)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>2,151,842</u>	<u>477,099</u>	<u>(2,129,950)</u>	<u>1,459,214</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	\$ <u>2,952,151</u>	\$ <u>531,537</u>	\$ <u>1,498,284</u>	\$ <u>1,809,788</u>

Sources: Audited Annual Financial Report of the Town (2019)

* Includes General Fund - Town Outside, Highway Fund - Town Wide, Water Fund, Sewer Fund, Community Development Fund, Drainage Fund, Fire Fund & Misc. Special Revenue Fund

NOTE: This Schedule NOT audited

Budget Summaries

Fiscal Year Ending December 31, 2019

	<u>Appropriations</u>	<u>Less Estimated Revenues</u>	<u>Less Unexpected Balance</u>	<u>Amount To Be Raised By Tax</u>
General Fund - Townwide	\$ 8,678,054	\$ 1,481,122	\$ 161,550	\$ 7,035,382
General Fund - Town- Outside Village	465,626	175,359	87,763	202,504
Highway Fund-Townwide	325,535	15,415		310,120
Highway Fund-Outside Village	1,716,045	192,287	155,703	1,368,055
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts	<u>1,054,507</u>	<u>578,399</u>	<u>23,269</u>	<u>452,839</u>
Totals	<u>\$ 12,239,767</u>	<u>\$ 2,442,582</u>	<u>\$ 428,285</u>	<u>\$ 9,368,900</u>

Source: Adopted Budget of the Town of New Paltz

Budget Summaries

Fiscal Year Ending December 31, 2020

	<u>Appropriations</u>	<u>Less Estimated Revenues</u>	<u>Less Unexpected Balance</u>	<u>Amount To Be Raised By Tax</u>
General Fund - Townwide	\$ 9,107,710	\$ 1,706,218	\$	\$ 7,401,492
General Fund - Town- Outside Village	455,122	180,343		274,779
Highway Fund-Townwide	163,967	8,050		155,917
Highway Fund-Outside Village	1,893,645	153,487		1,740,158
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts	<u>1,060,327</u>	<u>561,348</u>	<u>67,083</u>	<u>431,896</u>
Totals	<u>\$ 12,680,771</u>	<u>\$ 2,609,446</u>	<u>\$ 67,083</u>	<u>\$ 10,004,242</u>

Source: Adopted Budget of the Town of New Paltz

TOWN OF NEW PALTZ

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.

TOWN OF NEW PALTZ, NEW YORK
DECEMBER 31, 2019
TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Governmental Activities:	
Statement of Net Position	10
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds	
Balance Sheet with the Statement of Net Position	15
Statement of Revenues, Expenditures and	
Changes In Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues,	
Expenditures and Changes In Fund Balances	
of Governmental Funds To The Statement of Activities	18
Statement of Fiduciary Net Position – Fiduciary Funds	20
Notes To The Financial Statements	21
Required Supplementary Information:	
Statement Of Revenues, Expenditures, And	
Changes In Fund Balance Compared To	
Budget – General Fund – Town Wide	47
Statement Of Revenues, Expenditures, And	
Changes In Fund Balance Compared To	
Budget – Highway Fund – Part Town	48
Schedule of Changes In The Total OPEB Liability	49
Notes To Required Supplementary Information	50
Schedule of Proportionate Share of the Net Pension Asset/Liability	51
Schedule of Employer's Pension Contributions	52
Supplemental Schedules:	
Combining Balance Sheet – Non Major Governmental Funds	53
Combining Statement Of Revenues, Expenditures And	
Changes In Fund Balance – Non Major Governmental Funds	54
General Fund – Town Wide:	
Balance Sheet	56

TOWN OF NEW PALTZ, NEW YORK
DECEMBER 31, 2019
TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
General Fund – Town Outside:	
Balance Sheet	57
Statement Of Revenues, Expenditures And Changes In Fund	
Balance – Budget And Actual	58
Community Development Fund:	
Balance Sheet	59
Statement Of Revenues, Expenditures And Changes In Fund Balance	60
Highway Fund – Town Wide:	
Balance Sheet	61
Statement Of Revenues, Expenditures And Changes In Fund	
Balance – Budget And Actual	62
Highway Fund – Part Town:	
Balance Sheet	63
Water Fund:	
Combining Balance Sheet	64
Statements of Revenues, Expenditures And Changes	
In Fund Balance – Budget And Actual	65
Sewer Fund:	
Combining Balance Sheet	69
Statements of Revenues, Expenditures and Changes in Fund	
Balance – Budget And Actual	70
Drainage Fund:	
Combining Balance Sheet	73
Statement Of Revenues, Expenditures And Changes In Fund	
Balance – Budget And Actual	74
Fire District:	
Balance Sheet	78
Statement Of Revenues, Expenditures And	
Changes In Fund Balances - Budget And Actual	79
Capital Projects:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures	
And Changes In Fund Balance	81
Independent Auditors' Report On Internal Control Over	
Financial Reporting And On Compliance And Other	
Matters Based On An Audit Of Financial Statements	
Performed In Accordance With <i>Government Auditing Standards</i> .	82

INDEPENDENT AUDITORS' REPORT

To the Supervisor and Board Members of
The Town of New Paltz
New Paltz, New York 12561

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Paltz, New York, as of and for the year ended December 31, 2019, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Unmodified Opinions

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 New Paltz, New York, as of December 31, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 4 through 9 and 47 through 52, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Paltz, New York's financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The prior year summarized comparative information has been derived from the Town's December 31, 2018 financial statements and, in our report dated January 3, 2020, we expressed a qualified opinion on the governmental activities and an unmodified opinion on each major fund and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020 on our consideration of the Town of New Paltz, 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 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 New Paltz, New York's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Cooper Quinn LLP".

Mongaup Valley, New York
June 12, 2020

TOWN OF NEW PALTZ

MANAGEMENT DISCUSSION AND ANALYSIS

Town of New Paltz

Year Ended December 31, 2019

Town of New Paltz

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2019. 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. 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 2019 are as follows:

Town – Wide Statements

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

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
Property Tax Revenues	\$ 9,368,900	75%	74%
State And Federal Aid	360,919	3%	5%
Water And Sewer Charges	654,160	5%	5%

- The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
General Government Support	\$ 2,481,826	18%	19%
Public Safety	6,200,764	46%	47%
Transportation	2,195,277	16%	15%
Home And Community Services	1,229,233	9%	9%

- Total Net Position was \$(30,407,066) at December 31, 2019, down \$999,102 from the prior year.

Fund Financial Statements

- The highlights of the activity in the major funds is as follows:

<u>General Fund – Town Wide</u>	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
Property Tax Revenues	\$ 7,035,382	78%	76%
Departmental Income	335,042	4%	3%
Fines And Forfeitures	345,493	4%	4%
State And Federal Aid	302,532	3%	5%
General Government Support	1,367,734	16%	17%
Public Safety	2,830,171	33%	33%
Employee Benefits	2,888,977	34%	34%

- The General Fund – Town Wide fund balance increased from \$1,641,671 at December 31, 2018 to \$2,151,842 at December 31, 2019. Of the total fund balance, \$0 was appropriated towards the subsequent year's budget, \$244,894 was restricted for capital expenditures and \$212,422 was in non-spendable form, leaving \$1,694,526 as unassigned.
- The Highway Fund – Part Town had tax revenues of \$1,368,055, which accounted for 92% of total revenues of \$1,488,061.
- Capital Projects Fund expenditures consisted of Building Purchase (\$1,481,377), DEP Water Expansion (\$23,080), Computer Upgrade (\$50,782) and Police Vehicles (\$41,426).

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 them. The change in net assets 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 two types of funds, governmental 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 such as payroll withholdings. 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

	<u>2019</u>	<u>2018</u>
NET POSITION		
Current Assets	\$ 6,480,251	\$ 4,602,887
Non-Current Assets	<u>5,002,205</u>	<u>9,907,255</u>
Total Assets	<u>11,482,456</u>	<u>14,510,142</u>
Pensions	1,474,107	2,443,092
OPEB Liability	<u>2,372,909</u>	<u>279,301</u>
Total Deferred Outflows of Resources	<u>3,847,016</u>	<u>2,722,393</u>
Current Liabilities	4,549,198	2,117,952
Long-Term Liabilities	<u>38,647,572</u>	<u>35,797,684</u>
Total Liabilities	<u>43,196,770</u>	<u>37,915,636</u>

	<u>2019</u>	<u>2018</u>
Pensions	\$ 918,006	\$ 2,437,105
OPEB Liability	<u>1,621,721</u>	<u>-</u>
Total Deferred Inflow of Resources	<u>2,539,768</u>	<u>2,437,105</u>
Net Investment In Capital Assets	2,734,889	8,588,307
Restricted	350,534	334,590
Unrestricted	<u>(33,492,489)</u>	<u>(32,043,103)</u>
Total Net Position	<u>\$(30,407,066)</u>	<u>\$(23,120,206)</u>
REVENUES		
Real Property Taxes	\$ 9,368,900	\$ 8,850,777
Other Tax Items	182,616	166,390
Non-Property Tax Items	344,910	338,428
Charges For Services	1,658,219	1,767,048
Grants and Contributions	182,083	308,689
Investment Earnings	83,321	38,568
Sale Of Property And Compensation For Loss	92,248	12,902
Miscellaneous Local Sources	290,555	180,528
State Sources	<u>226,088</u>	<u>262,017</u>
Total Revenues	<u>12,557,892</u>	<u>11,925,347</u>
EXPENDITURES		
General Government Support	2,481,826	2,409,382
Public Safety	6,200,764	5,873,639
Health	303,725	287,181
Transportation	2,195,277	1,869,475
Economic Assistance And Opportunity	33,979	44,468
Culture And Recreation	1,056,424	853,738
Home And Community Service	1,229,233	1,083,065
Debt Service	<u>55,766</u>	<u>44,213</u>
Total Expenditures	<u>13,556,994</u>	<u>12,465,161</u>
CHANGE IN NET POSITION	<u>\$ (999,102)</u>	<u>\$ (539,814)</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$12,822,649 and expenditures of \$13,452,832, this resulted in a decrease in fund balance of \$630,183.

	<u>2019 Fund Balance</u>	<u>2018 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund – Town Wide	\$ 2,151,842	\$ 1,641,671	\$ 510,171
Highway Fund – Part Town	477,099	556,432	(79,333)
Capital Projects Fund	(2,129,950)	(881,002)	(1,248,948)
Non-Major Funds	<u>1,459,214</u>	<u>1,271,287</u>	<u>187,927</u>
Total Governmental	<u>\$ 1,958,205</u>	<u>\$ 2,588,388</u>	<u>\$ (630,183)</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 47. 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 53 of the financial statements.

Debt

As of December 31, 2019, the Town had \$291,850 in bonds payable, \$47,163 in installment purchase debt and \$3,483,360 in bond anticipation notes payable. The Town paid \$46,260 in interest throughout the year.

Capital Assets

The Town had net capital assets of \$5,002,205 as of December 31, 2019. Depreciation expense for the year ended December 31, 2019 was \$432,222.

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 New Paltz, 52 Clearwater Rd., New Paltz, NY 12561.

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash	\$ 3,849,328	\$ 3,215,070
Cash - Restricted	1,538,362	511,093
Accounts Receivable	55,999	56,298
Rents Receivable	212,181	180,128
Due From Other Fund Types	202,394	87,702
Due from State And Federal	38,837	91,639
Due From Other Governments	276,049	163,185
Prepaid Expenditures	<u>307,101</u>	<u>297,782</u>
Total Current Assets	<u>6,480,251</u>	<u>4,602,887</u>
Non-Current Assets:		
Capital Assets, Net	<u>5,002,205</u>	<u>9,907,255</u>
Total Non-Current Assets	<u>5,002,205</u>	<u>9,907,255</u>
TOTAL ASSETS	<u>11,482,456</u>	<u>14,510,142</u>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Liability	2,372,909	279,301
Pensions	<u>1,474,107</u>	<u>2,443,092</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,847,016</u>	<u>2,722,393</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31,

(Continued)

	<u>2019</u>	<u>2018</u>
LIABILITIES		
Accounts Payable	\$ 144,423	\$ 231,351
Accrued Liabilities	339,369	230,093
Due To Other Governments	191,665	168,408
BAN's Payable	3,483,360	1,091,920
Due To Other Fund Types	7,881	5,180
Unearned Revenues	<u>382,500</u>	<u>391,000</u>
Total Current Liabilities	<u>4,549,198</u>	<u>2,117,952</u>
Non-Current Liabilities		
Due Within One Year:		
Serial Bonds	59,500	59,500
Installment Purchase Debt	27,190	32,925
Total OPEB Liability	800,000	800,000
Due Beyond One Year:		
Serial Bonds	232,350	291,850
Installment Purchase Debt	19,973	19,246
Compensated Absences	789,642	895,594
Judgments And Claims	299,652	-
Total OPEB Liability	34,807,027	32,824,020
Net Pension Liability	<u>1,612,238</u>	<u>874,549</u>
Total Non-Current Liabilities	<u>38,647,572</u>	<u>35,797,684</u>
TOTAL LIABILITIES	<u>43,196,770</u>	<u>37,915,636</u>
DEFERRED INFLOWS OF RESOURCES		
OPEB Liability	1,621,721	-
Pensions	<u>918,006</u>	<u>2,437,105</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,539,768</u>	<u>2,437,105</u>
NET POSITION		
Net Investment In Capital Assets	2,734,889	8,588,307
Restricted	350,534	334,590
Unrestricted	<u>(33,492,489)</u>	<u>(32,043,103)</u>
TOTAL NET POSITION	<u>\$(30,407,066)</u>	<u>\$(23,120,206)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>I</u> <u>PROGRAM REVENUES</u> <u>I</u>					
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	<u>2018 TOTAL</u>
FUNCTIONS/PROGRAMS:						
General Government Support	\$ 2,481,826	\$ 489,691	\$ 89,900	\$ -	\$ (1,902,235)	\$ (1,942,093)
Public Safety	6,200,764	152,635	5,907	-	(6,042,222)	(5,423,321)
Health	303,725	-	-	-	(303,725)	(287,181)
Transportation	2,195,277	13,250	56,089	-	(2,125,938)	(1,791,871)
Economic Assistance And Opportunity	33,979	-	-	-	(33,979)	(44,468)
Culture And Recreation	1,056,424	199,122	21,067	-	(836,235)	(689,359)
Home And Community Services	1,229,233	803,521	9,120	128,952	(287,640)	(166,918)
Debt Service	<u>55,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,766)</u>	<u>(44,213)</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>13,556,994</u>	<u>1,658,219</u>	<u>182,083</u>	<u>128,952</u>	<u>(11,587,740)</u>	<u>(10,389,424)</u>
GENERAL REVENUES						
Real Property Taxes					9,368,900	8,850,777
Other Tax Items					182,616	166,390
Non-Property Tax Items					344,910	338,428
Investment Earnings					83,321	38,568
Sale Of Property And Compensation For Loss					92,248	12,902
Miscellaneous Local Sources					290,555	180,528
State Aid					<u>226,088</u>	<u>262,017</u>
TOTAL GENERAL REVENUES					<u>10,588,638</u>	<u>9,849,610</u>
CHANGE IN NET POSITION					(999,102)	(539,814)
TOTAL NET POSITION – Beginning Of Year (Restated)					<u>(29,407,964)</u>	<u>(22,580,392)</u>
TOTAL NET POSITION – End Of Year					<u>\$ (30,407,066)</u>	<u>\$ (23,120,206)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	GENERAL FUND – TOWN WIDE	HIGHWAY FUND – PART TOWN	CAPITAL PROJECTS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2018 TOTAL
ASSETS						
Cash	\$ 2,084,758	\$ 247,784	\$ 184,439	\$ 1,332,347	\$ 3,849,328	\$ 3,391,563
Cash - Restricted	244,894	90,393	1,187,828	15,247	1,538,362	334,590
Accounts Receivable	8,449	3,414	-	44,136	55,999	56,298
Rents Receivable	-	-	-	212,181	212,181	180,128
Due From Other Funds	216,983	162,956	4,265	129,699	513,903	588,140
Due From State And Federal	30,348	8,489	-	-	38,837	91,639
Due From Other Governments	154,297	-	121,752	-	276,049	163,185
Prepaid Expenditures	212,422	18,501	-	76,178	307,101	297,782
TOTAL ASSETS	<u>\$ 2,952,151</u>	<u>\$ 531,537</u>	<u>\$ 1,498,284</u>	<u>\$ 1,809,788</u>	<u>\$ 6,791,760</u>	<u>\$ 5,103,325</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	GENERAL FUND – TOWN WIDE	HIGHWAY FUND – PART TOWN	CAPITAL PROJECTS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2018 TOTAL
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 76,019	\$ 41,335	\$ 6,610	\$ 20,459	\$ 144,423	\$ 231,351
Accrued Liabilities	287,758	12,326	-	12,133	312,217	212,447
Due To Other Funds	25,237	777	138,264	155,112	319,390	505,618
Due To Other Governments	28,795	-	-	162,870	191,665	168,408
BAN's Payable	-	-	3,483,360	-	3,483,360	1,091,920
Unearned Revenues	<u>382,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,500</u>	<u>391,000</u>
TOTAL LIABILITIES	<u>800,309</u>	<u>54,438</u>	<u>3,628,234</u>	<u>350,574</u>	<u>4,833,555</u>	<u>2,600,744</u>
FUND BALANCES						
Nonspendable:						
Prepaid Items	212,422	18,501	-	76,178	307,101	297,782
Non-Current Receivables	-	-	-	32,057	32,057	30,273
Restricted:						
Capital Reserve	15,247	90,393	-	15,247	120,887	77,069
Police Seized Asset	228,847	-	-	-	228,847	257,521
Bench Repair	800	-	-	-	800	-
Assigned:						
Encumbrances	-	148,501	-	-	148,501	-
Appropriated	-	-	-	67,083	67,083	428,285
Unappropriated	-	219,704	198,465	1,323,907	1,742,076	1,467,768
Unassigned	<u>1,694,526</u>	<u>-</u>	<u>(2,328,415)</u>	<u>(55,258)</u>	<u>(689,147)</u>	<u>(56,117)</u>
TOTAL FUND BALANCES	<u>2,151,842</u>	<u>477,099</u>	<u>(2,129,950)</u>	<u>1,459,214</u>	<u>1,958,205</u>	<u>2,502,581</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,952,151</u>	<u>\$ 531,537</u>	<u>\$ 1,498,284</u>	<u>\$ 1,809,788</u>	<u>\$ 6,791,760</u>	<u>\$ 5,103,325</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
Total Fund Balance – Governmental Funds	\$ 1,958,205	\$ 2,502,581
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 net carrying value of capital assets at December 31, 2019 was \$5,002,205.		
	5,002,205	9,907,255
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Installment Purchase Debt	(47,163)	
Serial Bonds	(291,850)	
Compensated Absences	(789,642)	
Judgments And Claims	<u>(299,652)</u>	(1,299,115)
	(1,428,307)	
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	1,474,107	
Net Pension Liability	(1,612,238)	
Deferred Inflows of Resources	<u>(918,006)</u>	(868,562)
	(1,056,137)	
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	2,372,909	
Total OPEB Liability	(35,607,027)	
Deferred Inflows of Resources	<u>(1,621,762)</u>	(33,344,719)
	(34,855,880)	
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>(27,152)</u>	<u>(17,646)</u>
Net Position of Governmental Activities	<u>\$ (30,407,066)</u>	<u>\$ (23,120,206)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	GENERAL FUND – TOWN WIDE	HIGHWAY FUND – PART TOWN	CAPITAL PROJECTS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2018 TOTAL
REVENUES						
Real Property Taxes	\$ 7,035,382	\$ 1,368,055	\$ -	\$ 965,463	\$ 9,368,900	\$ 8,850,777
Other Tax Items	182,616	-	-	-	182,616	166,390
Non Property Tax Items	256,883	-	-	88,027	344,910	338,428
Departmental Income	335,042	-	-	713,815	1,048,857	952,375
Use Of Money And Property	70,361	9,683	9,853	16,174	106,071	50,068
Licenses And Permits	4,490	750	-	59,268	64,508	50,331
Fines And Forfeitures	345,493	-	-	-	345,493	336,735
Sale Of Property And						
Compensation For Loss	98,945	24,991	-	-	123,936	41,393
Miscellaneous Local Sources	341,325	28,493	141,452	100,412	611,682	586,685
State Aid	302,532	56,089	-	2,298	360,919	551,636
Federal Aid	-	-	-	-	-	529
TOTAL REVENUES	<u>8,973,069</u>	<u>1,488,061</u>	<u>151,305</u>	<u>1,945,457</u>	<u>12,557,892</u>	<u>11,925,347</u>
EXPENDITURES						
General Government Support	1,367,734	32,310	-	53,757	1,453,801	1,477,199
Public Safety	2,830,171	-	-	511,882	3,342,053	3,304,639
Health	236,610	-	-	-	236,610	229,156
Transportation	74,593	968,085	-	176,857	1,219,535	1,117,297
Economic Assistance And						
Opportunity	33,979	-	-	-	33,979	44,468
Culture And Recreation	538,896	-	-	52,614	591,510	486,877
Home And Community Service	337,736	-	-	706,585	1,044,321	888,630
Employee Benefits	2,888,977	463,599	-	201,355	3,553,931	3,506,010
Dept Service:						
Principal	127,234	88,088	-	50,500	265,822	211,107
Interest	17,381	15,312	-	13,567	46,260	41,613
Capital Outlay	-	-	<u>1,601,567</u>	-	<u>1,601,567</u>	<u>280,696</u>
TOTAL EXPENDITURES	<u>8,453,311</u>	<u>1,567,394</u>	<u>1,601,567</u>	<u>1,767,117</u>	<u>13,389,389</u>	<u>11,587,692</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	GENERAL FUND -- TOWN WIDE	HIGHWAY FUND -- PART TOWN	CAPITAL PROJECTS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2018 TOTAL
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 519,758	\$ (79,333)	\$ (1,450,262)	\$ 178,340	\$ (831,497)	\$ 337,655
OTHER FINANCING SOURCES (USES)						
BAN's Redeemed From Appropriations	-	-	159,888	-	159,888	86,960
Operating Transfers In	1,803	-	50,250	11,390	63,443	6,570
Operating Transfers Out	(11,390)	-	(50,250)	(1,803)	(63,443)	(6,570)
Proceeds Of Long Term Debt	-	-	41,426	-	41,426	39,184
TOTAL OTHER FINANCING SOURCES (USES)	(9,587)	-	201,314	9,587	201,314	126,144
NET CHANGE IN FUND BALANCE	510,171	(79,333)	(1,248,948)	187,927	(630,183)	463,799
FUND BALANCE -- Beginning Of Year (Restated)	1,641,671	556,432	(381,002)	1,271,287	2,588,388	2,038,782
FUND BALANCE -- End Of Year	\$ 2,151,842	\$ 477,099	\$ (2,129,950)	\$ 1,459,214	\$ 1,958,205	\$ 2,502,581

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, 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, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

		<u>2019</u>	<u>2018</u>
Total Net Change in Fund Balances – Governmental Funds		\$ (630,183)	\$ 463,799
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 Expense	(432,222)		
Capital Outlay	<u>1,795,500</u>	1,363,278	330,875
Proceeds of long term debt are revenues in the governmental funds. In the statement of net position, the proceeds increase long term debt and no revenues are reported.			
Installment Purchase Debt		(41,426)	(39,184)
Repayment of principal on long-term debt is an 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	59,500		
Installment Purchase Debt	<u>46,434</u>	105,934	124,147
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	(27,152)		
Prior Year Accrued Interest	<u>17,646</u>	(9,506)	(2,600)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, 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, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

(Continued)

		<u>2019</u>	<u>2018</u>
(Increases) decreases in proportionate share of net pension asset/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.			
Police and Fire Retirement System	\$ (122,686)		
Employees' Retirement System	<u>(64,889)</u>	(187,575)	(84,014)
(Increase) 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.			
Total OPEB Liability		(1,511,161)	(1,303,107)
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).			
Compensated Absences	105,952		
Judgments And Claims	<u>(194,415)</u>	<u>(88,463)</u>	<u>(29,730)</u>
Change in Net Position of Governmental Activities		<u>\$ (999,102)</u>	<u>\$ (539,814)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>AGENCY FUND</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 281,015	\$ 324,396
Due From Other Funds	<u>7,881</u>	<u>5,180</u>
TOTAL ASSETS	<u>\$ 288,896</u>	<u>\$ 329,576</u>
LIABILITIES		
Agency Liabilities	\$ 86,502	\$ 241,874
Due To Other Funds	<u>202,394</u>	<u>87,702</u>
TOTAL LIABILITIES	<u>\$ 288,896</u>	<u>\$ 329,576</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of New Paltz, New York, was established in 1678 and operates in accordance with the Code of the Town of New Paltz, 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: police, fire protection, road maintenance and snow removal, justice court, assessor, permits and licenses, dog control, programs for the aging, recreation programs, youth programs, building permits and code enforcement, planning, zoning, and management of water, sewer, and drainage districts.

The accounting policies for the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Town's more significant accounting policies:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in the evaluation of potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. There are no other entities that should be included in the financial report.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-exchange 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 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 – Town Wide - 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.
- b. Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
 - Highway Fund - Part Town - used to account for transactions that affect only those areas outside of the Village located within the Town.
- c. Capital Projects Fund – These funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following non-major Governmental Funds:

a. Special Revenue Funds

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- Town Wide - used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

Community Development Fund – used to account for projects financed by entitlements from the US Department of Housing and Urban Development.

Special Districts Fund – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Town reports the following non-major Special District funds:

- a) Water
- b) Sewer
- c) Drainage
- d) Fire

Miscellaneous Special Revenue Fund – used to account for the proceeds of specific revenues sources that are restricted to expenditures for specified purposes.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting/Measurement Focus

The Town-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash 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.

D. Property Taxes

Town real property taxes are levied annually on January 1, and become a lien on that date. Taxes are collected during the period January 1 to May 31. 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 unpaid taxes.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Policies

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

- a) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- b) The preliminary budget as submitted or amended shall be adopted by resolution no later than November 20th.
- c) The Town Board maintains control of the budget at the function level of expenditure. The Town Supervisor is authorized to transfer within departments prior to Board approval.
- d) 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. Open encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

G. Budget Basis Of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls for the Community Development Fund are established in accordance with the applicable grant agreement that covers a period other than the Town's fiscal year.

H. Compensated Absences

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

I. Post Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their families. 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 in the governmental funds by recording its share of insurance premiums as an expenditure in the year paid. In the Town-wide statements, the liability is reported at actuarially calculated amounts (Note 9).

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 costs 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 for all assets other than computers, which have a threshold of \$1,000.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 & Improvements	20-40
Land Improvements	20
Infrastructure	20-40
Machinery & Equipment	3-20

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.

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 is deemed to be available for general use by the Town.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. As of December 31, 2019, non-spendable fund balances include prepaid expenditures of \$307,101 in the General, Highway and Special District Funds, and non-current receivables of \$32,057 in the Water Fund.

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. The Town had restricted fund balances of \$350,534 in the General and Highway Funds as of December 31, 2019.

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 had no committed fund balances as of December 31, 2019.

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.

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 NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

Minimum Fund Balance Policy:

The Town's goal is to attain a minimum unreserved fund balance in the General A Fund, General B Fund, Highway DA Fund and Highway DB Fund equal to 10% of each Funds' respective total budgeted expenditures.

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. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2019, the Town implemented the following new standards:

GASB 83 – *Certain Asset Retirement Obligations*

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

GASB 90 – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*

GASB 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*

Q. Future Accounting Standards

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

GASB 84 – *Fiduciary Activities*, effective for the year ending December 31, 2020.

GASB 87 – *Leases*, effective for the year ending December 31, 2022.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending December 31, 2021.

GASB 91 – *Conduit Debt Obligations*, effective for the year ending December 31, 2022.

GASB 92 – *Omnibus*, effective for the year ending December 31, 2022.

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.

R. 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 Town 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 subsequent to the measurement date. The third item relates to OPEB reporting in the government-wide statement of net position. The Town reports \$3,847,016 in deferred outflows of resources as of December 31, 2019.

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 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 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 government-wide statement of net position. The Town reports \$2,539,768 in deferred inflows of resources as of December 31, 2019.

The reporting of deferred outflows of resources and deferred inflows of resources resulted in a net increase of \$1,307,248 to unrestricted net position as of December 31, 2019.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Insurance

The Town of New Paltz 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, 2019 was \$299,652.

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balance

The Capital Projects Fund has a deficit unassigned fund balance of \$2,328,415 at December 31, 2019. The deficit is caused by the accounting treatment of bond anticipation notes and will be eliminated as short-term debt is redeemed or converted to permanent financing.

The Water Fund has a deficit unassigned fund balances of \$55,258 as of December 31, 2019. The deficit was funded with loans from other funds and is being addressed through the annual budget process.

B. Overspent Appropriations

Expenditures for the year ended December 31, 2019 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/Public Safety	\$ 2,785,095	\$ 2,830,171	\$ (45,076)
Sewer #5/Home & Community Services	26,454	36,748	(10,294)
Water #3/Debt Service: Principal	4,125	16,125	(12,000)

The overspent appropriations in the General Fund were caused by police salaries in excess of budgeted amounts and were funded with available fund balance.

The overspent appropriations in the Sewer # 5 Fund was caused by additional costs for new meters and was funded with available fund balance.

The overspent appropriations in the Water # 3 Fund was caused by the early payoff of a bond anticipation note and was funded with loans from other funds.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

**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 governmental funds vs. net position of governmental activities:

The total fund balance 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.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

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 from 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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

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.

NOTE 4 – CASH AND INVESTMENTS

The Town of New Paltz 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.	<u>\$ 5,237,188</u>
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NOTE 5 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2019 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund – Town Wide	\$ 216,983	\$ 25,237	\$ 1,803	\$ 11,390
General Fund – Town Outside	80,386	198	-	-
Highway Fund – Town Wide	2,526	11,636	-	-
Highway Fund – Part Town	162,956	777	-	-
Water Fund	44,493	67,047	-	-
Sewer Fund	2,294	76,231	-	-
Capital Projects Fund	4,265	138,264	50,250	50,250
Miscellaneous Special Revenue Fund	<u>-</u>	<u>-</u>	<u>11,390</u>	<u>1,803</u>
Total Governmental Funds	<u>513,903</u>	<u>319,390</u>	<u>63,443</u>	<u>63,443</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
Custodial Fund	\$ 7,881	\$ 202,394	\$ -	\$ -
Total Fiduciary Funds	<u>7,881</u>	<u>202,394</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 521,784</u>	<u>\$ 521,784</u>	<u>\$ 63,443</u>	<u>\$ 63,443</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

The Town normally loans money between funds to relieve cash flow issues and transfers money to and from the Capital Projects Fund to finance specific projects.

NOTE 6 – LIABILITIES

1. Long-Term Debt

Serial Bonds

The Town of New Paltz, 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 the earned and unused portion of the liability for compensated absences.

Total OPEB Liability– Represents the Town’s outstanding liability related to post employment health insurance benefits. (See Note 9)

Installment Purchase Debt – Represents the remaining installments due on equipment purchases.

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

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 – LIABILITIES (Continued)

Long-Term Debt Interest

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

Interest Paid	\$ 15,124
Less: Interest Accrued in Prior Year	(5,478)
Plus: Interest Accrued In Current Year	<u>4,956</u>
 TOTAL EXPENSE	 <u>\$ 14,602</u>

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2019.

	BALANCE 01/01/19	ADDITIONS	DELETIONS	BALANCE 12/31/19	AMOUNTS DUE WITHIN ONE YEAR
Serial Bonds –					
General Obligations	\$ 330,000	\$ -	\$ 55,000	\$ 275,000	\$ 55,000
Serial Bonds –					
Direct Placements	21,350	-	4,500	16,850	4,500
Installment Purchase Debt –					
Direct Borrowings	52,171	41,426	46,434	47,163	27,190
Compensated Absences	895,594	-	105,952	789,642	-
Judgments And Claims	105,237	194,415	-	299,652	-
Total OPEB Liability	<u>33,624,020</u>	<u>4,620,076</u>	<u>2,637,069</u>	<u>35,607,027</u>	<u>800,000</u>
	<u>\$ 35,028,372</u>	<u>\$ 4,855,917</u>	<u>\$ 2,848,955</u>	<u>\$ 37,035,334</u>	<u>\$ 886,690</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 at December 31, 2019 is comprised of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 12/31/19</u>
Sewer	6.625%	2023	\$ 10,850
Sewer	6.625%	2023	6,000
Open Space	3.00-3.50%	2024	<u>275,000</u>
Total Serial Bonds			<u>291,850</u>
Police Vehicle	6.475%	2022	27,917
Police Vehicle	5.95%	2020	3,776
Police Vehicle	6.45%	2022	<u>15,470</u>
Total Installment Purchase Debt			<u>47,163</u>
TOTAL			<u>\$ 339,013</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 – LIABILITIES (Continued)

The following totals summarize the Town's future debt service requirements as of December 31, 2019:

<u>YEAR ENDED DECEMBER 31.</u>	<u>GENERAL OBLIGATIONS</u>		<u>DIRECT BORROWINGS AND DIRECT PLACEMENTS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	\$ 55,000	\$ 8,938	\$ 31,690	\$ 3,998
2021	55,000	7,150	20,716	1,961
2022	55,000	5,362	8,257	614
2023	55,000	3,575	3,350	111
2024	<u>55,000</u>	<u>1,925</u>	<u>-</u>	<u>-</u>
	<u>\$ 275,000</u>	<u>\$ 26,950</u>	<u>\$ 64,013</u>	<u>\$ 6,684</u>

2. Pension Plan

Plan Description

The Town of New Paltz, New York participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) 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.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 – LIABILITIES (Continued)

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>	<u>PFRS</u>
2019	\$ 326,013	\$ 412,434
2018	319,332	395,796
2017	317,806	394,130

3. Short Term Debt

Bond Anticipation Notes

The following is a summary of the bond anticipation notes outstanding at December 31, 2019:

<u>DESCRIPTION</u>	<u>INTEREST RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Water	4.19%	\$ 15,000	\$ -	\$ 15,000	\$ -
Sewer	1.52%	229,500	-	8,500	221,000
Highway Equipment	1.52%	342,720	-	28,560	314,160
Highway Equipment	2.68%	73,200	-	73,200	-
Bridge Work	1.52%	100,000	-	10,000	90,000
Water	4.13%	202,500	-	22,500	180,000
Land Purchase	4.69%	129,000	-	25,800	103,200
Building Purchase	1.49%	-	2,500,000	-	2,500,000
Computer Upgrade	1.69%	-	75,000	-	75,000
TOTAL		<u>\$ 1,091,920</u>	<u>\$ 2,575,000</u>	<u>\$ 183,560</u>	<u>\$ 3,483,360</u>

Short Term Debt Interest

Interest expense on short term debt consisted of the following:

Interest Paid	\$ 31,136
Less: Interest Accrued In Prior Year	(12,168)
Plus: Interest Accrued In Current Year	<u>22,196</u>
TOTAL EXPENSE	<u>\$ 41,164</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - 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 in common with other municipalities, receives numerous notices of tort claims for money damages. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

The Town is also 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 8 – 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) and the New York State and Local Police and Fire Retirement System (PFRS) are included in Note 6-2 to the financial statements.

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

At December 31, 2019, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and PFRS. 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 Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Town.

	<u>ERS</u>	<u>PFRS</u>
Actuarial valuation date	April 1, 2018	April 1, 2018
Net pension asset/(liability)	\$ (642,250)	\$ (969,988)
Town's portion of the Plan's total net pension asset/(liability)	0.0090645%	0.0578385%

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For the year ended December 31, 2019, the Town recognized pension expense of \$390,902 for ERS and \$535,120 for PFRS. At December 31, 2019, 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>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 126,473	\$ 235,637	\$ 43,113	\$ 103,562
Changes of assumptions	161,435	352,422	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	164,837	194,265
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	23,152	15,766	66,022	346,207
Town's contributions subsequent to the measurement date	<u>246,194</u>	<u>313,028</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 557,254</u>	<u>\$ 916,853</u>	<u>\$ 273,972</u>	<u>\$ 644,034</u>

Town contributions subsequent to the measurement date of \$246,194 for ERS and \$313,028 for PFRS will be recognized as a reduction of the net pension liability in the year December 31, 2020. 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>	<u>PFRS</u>
2020	\$ 114,336	\$ 93,648
2021	(138,528)	(129,927)
2022	(21,611)	(69,164)
2023	82,891	60,792
2024	-	4,442
Thereafter	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 37,088</u>	<u>\$ (40,209)</u>

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>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Interest rate	7.0%	7.0%
Salary scale	4.2%	4.5%
Decrement tables	April 1, 2010-March 31, 2015 System's Experience	April 1, 2010-March 31, 2015 System's Experience
Inflation rate	2.5%	2.5%

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For ERS and PFRS, annuitant mortality rates are based on April 1, 2010-March 31, 2015 Systems' experience with adjustments for mortality improvements based on MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

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

	<u>ERS/PFRS</u>
Measurement date	March 31, 2019
Asset Type:	
Domestic Equity	4.55%
International Equity	6.35%
Real Estate	5.55%
Alternative Investments	3.75%-5.68%
Mortgages	1.31%
Short-term	1.00%
Private Equity	7.50%

Discount Rate

The discount rate used to calculate the total pension liability was 7.00% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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 7.00% for ERS and PFRS, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

<u>ERS</u>	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (2,808,021)	\$ (642,250)	\$ 1,177,151
<u>PFRS</u>	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (3,505,390)	\$ (969,988)	\$ 1,147,368

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>	<u>PFRS (in thousands)</u>
Valuation date	April 1, 2018	April 1, 2018
Employers' total pension liability	\$ (189,803,429)	\$ (34,128,100)
Plan Net Position	<u>182,718,124</u>	<u>32,451,037</u>
Employer's net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
Proportion of plan net position to the Employer's total pension asset/(liability)	96.27%	95.09%

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

**NOTE 8 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)**

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the Systems' 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 and PFRS wages multiplied by the employer's contribution rate, by tier. The Town prepaid its retirement contributions and, therefore, had no accrued retirement contributions as of December 31, 2019.

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

General Information about the OPEB Plan

Plan Description - The healthcare plan is a defined benefit OPEB plan that provides health insurance benefits for all eligible employees who retire from 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. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Town provides healthcare benefits and Medicare Part B premiums for eligible retirees and their dependents. The Town's contribution ranges from 80% to 100% of the total health insurance premium depending on the retiree's employment classification and date of hire.

Employees Covered by Benefit Terms – At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	39
Active Employees	<u>58</u>
	<u>97</u>

Total OPEB Liability

The Town's total OPEB liability of \$35,607,027 was measured as of December 31, 2019, using an actuarial valuation date of January 1, 2019.

TOWN OF NEW PALTZ
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2019 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, 2019
Discount Rate	3.26%
Salary Scale	3.00%
Inflation Rate	3.00%
Initial Healthcare Cost Trend Rates	8.00%
Ultimate Healthcare Cost Trend Rates	5.00%

Actuarial Cost Method – Entry Age Normal, Level Percent Pay

Withdrawal – Sarasson T-5 Table

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2019.

Mortality rates were based on the RP-2014 Mortality Tables with MP-2016 projection.

Changes in the Total OPEB Liability

Balance at January 1, 2019	\$ 33,624,020
Changes for the Year -	
Service Cost	972,129
Interest	1,209,652
Changes of Benefit Terms	-
Differences between expected and actual experience	(1,853,442)
Change in Assumptions	2,438,295
Benefit Payments	<u>(783,627)</u>
Net Changes	<u>1,983,007</u>
Balance at December 31, 2019	<u>\$ 35,607,027</u>

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 (2.26%) or 1 – percentage point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
Total OPEB Liability	<u>\$ 42,023,588</u>	<u>\$ 35,607,027</u>	<u>\$ 29,190,467</u>

TOWN OF NEW PALTZ
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

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 Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower than lower (7.0%-4.0%) or 1 – percentage point higher (9.0% - 6.0%) than the current discount rate:

	1% Decrease (7.0% - 4.0%)	Current Assumption (8.0% - 5.0%)	1% Increase (9.0% - 6.0%)
Total OPEB Liability	<u>\$ 29,274,409</u>	<u>\$ 35,607,027</u>	<u>\$ 43,222,081</u>

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

For the year ended December 31, 2019, the Town recognized OPEB expense of \$2,294,788. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 239,401	\$ 1,621,762
Changes of assumptions or other inputs	<u>2,133,508</u>	<u>-</u>
Total	<u>\$ 2,372,909</u>	<u>\$ 1,621,762</u>

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

2020	\$ 113,007
2021	113,007
2022	113,007
2023	113,007
2024	113,007
Thereafter	<u>186,112</u>
TOTAL	<u>\$ 751,147</u>

TOWN OF NEW PALTZ
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2019 were as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS/ RECLASSIFICATIONS	ENDING BALANCE
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 770,791	\$ -	\$ -	\$ 770,791
Total non-depreciable historical cost	<u>770,791</u>	<u>-</u>	<u>-</u>	<u>770,791</u>
Capital assets that are depreciated:				
Building and Improvements	2,463,215	1,481,377	-	3,944,592
Machinery and Equipment	<u>4,163,455</u>	<u>314,123</u>	<u>-</u>	<u>4,477,578</u>
Total depreciable historical cost	<u>6,626,670</u>	<u>1,795,500</u>	<u>-</u>	<u>8,422,170</u>
Less accumulated depreciation:				
Building and Improvements	1,223,512	81,700	-	1,305,212
Machinery and Equipment	<u>2,535,022</u>	<u>350,522</u>	<u>-</u>	<u>2,885,544</u>
Total Accumulated Depreciation	<u>3,758,534</u>	<u>432,222</u>	<u>-</u>	<u>4,190,756</u>
Total historical cost, net	<u>\$ 3,638,927</u>	<u>\$ 1,363,278</u>	<u>\$ -</u>	<u>\$ 5,002,205</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 7,301		
Public Safety		123,543		
Transportation		194,840		
Culture & Recreation		55,955		
Home & Community Service		<u>50,583</u>		
		<u>\$ 432,222</u>		

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 5,002,205
Less: Bonds Payable	(275,000)
Installment Purchase Debt	(47,163)
Bond Anticipation Notes	(2,917,360)
Plus; Unspent Debt Proceeds	<u>972,207</u>
Net Investment In Capital Assets	<u>\$ 2,734,889</u>

TOWN OF NEW PALTZ
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 12 - OPERATING LEASES

The Town leases buildings and equipment under various operating leases. The leases expire at various times through the year-ended December 31, 2023. Minimum required payments for the leases are estimated as follows:

YEAR ENDED

2020	\$ 135,389
2021	103,946
2022	45,512
2023	<u>18,672</u>
	<u>\$ 303,519</u>

NOTE 13 – TAX ABATEMENTS

The Town is subject to tax abatement agreements entered into by the Ulster County Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended December 31, 2019 the Town received \$11,369 in tax abatement payments, which resulted in abated property taxes totaling \$30,233.

NOTE 14 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2019 and June 12, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 15 – RESTATED BALANCES

The beginning net position in the statement of activities has been decreased by \$105,237 to account for the Town's share of the liability related to the workers' compensation risk sharing pool and \$6,268,328 due to the Town obtaining an appraisal report on its capital assets in accordance with GASB 34. The total restatement of \$6,373,565 has no effect on the governmental fund financial statements.

The beginning fund balance in the governmental funds has been increased by \$85,807 to account for Miscellaneous Special Revenue Fund activity previously reported in the Fiduciary Fund.

TOWN OF NEW PALTZ, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- COMPARED TO BUDGET
GENERAL FUND – TOWN WIDE
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 7,035,382	\$ 7,035,382	\$ 7,035,382	\$ -	\$ 6,651,967
Other Tax Items	146,000	146,000	182,616	36,616	166,390
Non Property Tax Items	240,000	240,000	256,883	16,883	248,721
Departmental Income	306,230	318,995	335,042	16,047	297,703
Use Of Money And Property	5,000	20,580	70,361	49,781	31,081
Licenses And Permits	3,830	3,330	4,490	1,160	4,598
Fines And Forfeitures	300,000	300,000	345,493	45,493	336,735
Sale Of Property And Compensation For Loss	-	85,584	98,945	13,361	37,761
Miscellaneous Local Sources	263,317	239,317	341,325	102,008	505,660
State Aid	<u>216,745</u>	<u>317,385</u>	<u>302,532</u>	<u>(14,853)</u>	<u>472,416</u>
TOTAL REVENUES	<u>8,516,504</u>	<u>8,706,573</u>	<u>8,973,069</u>	<u>266,496</u>	<u>8,753,032</u>
EXPENDITURES					
General Government Support	1,784,871	1,671,448	1,367,734	303,714	1,395,197
Public Safety	2,632,696	2,785,095	2,830,171	(45,076)	2,772,839
Health	232,906	239,382	236,610	2,772	229,156
Transportation	65,200	79,387	74,593	4,794	73,701
Economic Assistance And Opportunity	46,150	45,150	33,979	11,171	44,468
Culture And Recreation	528,273	560,500	538,896	21,604	483,189
Home and Community Service	240,665	362,619	337,736	24,883	304,156
Employee Benefits	3,045,651	2,987,968	2,888,977	98,991	2,848,768
Debt Service:					
Principal	93,120	125,301	127,234	(1,933)	119,647
Interest	<u>3,522</u>	<u>17,381</u>	<u>17,381</u>	<u>-</u>	<u>16,488</u>
TOTAL EXPENDITURES	<u>8,673,054</u>	<u>8,874,231</u>	<u>8,453,311</u>	<u>420,920</u>	<u>8,287,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(156,550)	(167,658)	519,758	687,416	465,423
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	1,803	1,803	-	-
Operating Transfers Out	-	(11,390)	(11,390)	-	-
Other Budgetary Purposes	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(161,550)	(182,245)	510,171	692,416	465,423
FUND BALANCE – Beginning Of Year	<u>161,550</u>	<u>182,245</u>	<u>1,641,671</u>	<u>1,459,426</u>	<u>1,176,248</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,151,842</u>	<u>\$ 2,151,842</u>	<u>\$ 1,641,671</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
COMPARED TO BUDGET
HIGHWAY FUND – PART TOWN
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 1,368,055	\$ 1,368,055	\$ 1,368,055	\$ -	\$ 1,321,785
Use Of Money And Property	1,200	1,200	9,683	8,483	4,994
License And Permits	-	-	750	750	300
Sale Of Property And Compensation For Loss	-	-	24,991	24,991	3,632
Miscellaneous Local Sources	23,684	23,684	28,493	4,809	23,087
State Aid	<u>167,403</u>	<u>324,752</u>	<u>56,089</u>	<u>(268,663)</u>	<u>29,387</u>
TOTAL REVENUES	<u>1,560,342</u>	<u>1,717,691</u>	<u>1,488,061</u>	<u>(229,630)</u>	<u>1,383,185</u>
EXPENDITURES					
General Government Support	62,000	32,526	32,310	216	28,730
Transportation	1,056,817	1,238,806	968,085	270,721	874,022
Employees Benefits	487,749	480,661	463,599	17,062	431,907
Debt Service:					
Principal	62,960	88,088	88,088	-	52,960
Interest	<u>28,519</u>	<u>15,313</u>	<u>15,312</u>	<u>1</u>	<u>13,768</u>
TOTAL EXPENDITURES	<u>1,698,045</u>	<u>1,855,394</u>	<u>1,567,394</u>	<u>288,000</u>	<u>1,401,387</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(137,703)	(137,703)	(79,333)	58,370	(18,202)
OTHER FINANCING USES					
Other Budgetary Purposes	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(155,703)	(155,703)	(79,333)	76,370	(18,202)
FUND BALANCE – Beginning Of Year	<u>155,703</u>	<u>155,703</u>	<u>556,432</u>	<u>400,729</u>	<u>574,634</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,099</u>	<u>\$ 477,099</u>	<u>\$ 556,432</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
YEAR ENDED DECEMBER 31, 2018

	<u>2019</u>	<u>2018</u>
Service Cost	\$ 972,129	\$ 890,227
Interest	1,209,652	1,152,134
Changes of Benefit Terms	-	-
Differences between expected and actual experience	(1,853,442)	319,201
Changes in Assumptions	2,438,295	-
Benefit payments	<u>(783,627)</u>	<u>(779,154)</u>
Net Changes	1,983,007	1,582,408
Beginning Total OPEB Liability	<u>33,624,020</u>	<u>32,041,612</u>
Ending Total OPEB Liability	<u>\$ 35,607,027</u>	<u>\$ 33,624,020</u>
Covered Employee Payroll	<u>\$ 3,560,137</u>	<u>\$ 3,560,137</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	1,000.16%	944.46%

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

TOWN OF NEW PALTZ, NEW YORK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The changes in the discount rate were as follows:

December 31, 2019 Measurement Date:	3.26%
December 31, 2018 Measurement Date:	3.64%

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 NEW PALTZ, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
YEAR ENDED DECEMBER 31, 2019

ERS System – Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0090645%	0.0087451%	0.008250%	0.0082586%	0.00865010%
The Town's proportionate share of the net pension liability	\$ 642,250	\$ 282,245	\$ 829,213	\$ 1,325,531	\$ 324,401
The Town's covered employee payroll	2,331,184	2,280,948	2,183,500	2,005,619	1,997,178
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	27.55%	12.37%	37.98%	66.09%	16.24%
Plan Fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.7%	90.7%	97.9%

PFRS System – Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0578385%	0.0586000%	0.0664988%	0.0617036%	0.05154460%
The Town's proportionate share of the net pension liability	\$ 969,988	\$ 592,304	\$ 1,378,288	\$ 1,826,913	\$ 207,151
The Town's covered employee payroll	1,840,210	1,765,907	1,889,653	1,565,021	2,155,061
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	52.71%	33.54%	72.94%	116.73%	9.61%
Plan Fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.5%	90.2%	99.0%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2019

ERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 326,013	\$ 319,332	\$ 317,806	\$ 318,413	\$ 335,443	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the										
contractually required contribution	<u>326,013</u>	<u>319,332</u>	<u>317,806</u>	<u>318,413</u>	<u>335,443</u>	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of	13.49%	13.70%	13.93%	14.58%	16.73%	N/A	N/A	N/A	N/A	N/A
covered employee payroll										

PPRS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 412,434	\$ 395,796	\$ 394,130	\$ 389,226	\$ 340,167	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the										
contractually required contribution	<u>412,434</u>	<u>395,796</u>	<u>394,130</u>	<u>389,226</u>	<u>340,167</u>	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of	21.96%	21.51%	22.32%	20.60%	21.74%	N/A	N/A	N/A	N/A	N/A
covered employee payroll										

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	GENERAL – TOWN OUTSIDE	HIGHWAY – TOWN WIDE	WATER	SEWER	COMMUNITY DEVELOPMENT	DRAINAGE	FIRE	MISCELLANEOUS SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS									
Cash	\$ 248,791	\$ 28,544	\$ 279,836	\$ 366,791	\$ 66,210	\$ 87,422	\$ 196,848	\$ 57,905	\$ 1,332,347
Cash – Restricted	15,247	-	-	-	-	-	-	-	15,247
Accounts Receivable	44,136	-	-	-	-	-	-	-	44,136
Rents Receivable	-	-	116,858	95,323	-	-	-	-	212,181
Due From Other Funds	80,386	2,526	44,493	2,294	-	-	-	-	129,699
Prepaid Expenditures	5,632	2,960	421	293	-	-	66,872	-	76,178
TOTAL ASSETS	\$ 394,192	\$ 34,030	\$ 441,608	\$ 464,701	\$ 66,210	\$ 87,422	\$ 263,720	\$ 57,905	\$ 1,809,788
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 1,687	\$ 233	\$ 1,220	\$ 17,319	\$ -	\$ -	\$ -	\$ -	\$ 20,459
Accrued Liabilities	7,044	4,527	328	234	-	-	-	-	12,133
Due To Other Funds	198	11,636	67,047	76,231	-	-	-	-	155,112
Due To Other Governments	-	-	101,027	61,843	-	-	-	-	162,870
TOTAL LIABILITIES	8,929	16,396	169,622	155,627	-	-	-	-	350,574
FUND BALANCES									
Nonspendable:									
Prepaid Items	5,632	2,960	421	293	-	-	66,872	-	76,178
Non-Current Receivables	-	-	32,057	-	-	-	-	-	32,057
Restricted:									
Capital Reserve	15,247	-	-	-	-	-	-	-	15,247
Assigned:									
Appropriated	-	-	-	-	-	-	-	-	-
Unappropriated	364,384	14,674	294,766	308,781	66,210	87,422	67,083	57,905	1,323,907
Unassigned	-	-	(55,258)	-	-	-	-	-	(55,258)
TOTAL FUND BALANCES	385,263	17,634	271,986	309,074	66,210	87,422	263,720	57,905	1,459,214
TOTAL LIABILITIES AND FUND BALANCES	\$ 394,192	\$ 34,030	\$ 441,608	\$ 464,701	\$ 66,210	\$ 87,422	\$ 263,720	\$ 57,905	\$ 1,809,788

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

REVENUES	GENERAL -- TOWN OUTSIDE	HIGHWAY -- TOWN WIDE	WATER	SEWER	COMMUNITY DEVELOPMENT	DRAINAGE	FIRE	MISCELLANEOUS SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
Real Property Taxes	\$ 202,504	\$ 310,120	\$ 30,888	\$ 23,904	\$ -	\$ 7,377	\$ 390,670	\$ -	\$ 965,463
Non-Property Tax Items	88,027	-	-	-	-	-	-	-	88,027
Departmental Income	54,655	-	361,312	292,848	-	-	-	5,000	713,815
Use Of Money And Property	3,617	1,520	3,006	3,725	614	785	2,314	593	16,174
Licenses And Permits	59,268	-	-	-	-	-	-	-	59,268
Miscellaneous Local Sources	63,017	14,389	61	61	-	-	14,106	8,778	100,412
Slate Aid	2,298	-	-	-	-	-	-	-	2,298
	<u>473,386</u>	<u>326,029</u>	<u>395,267</u>	<u>320,538</u>	<u>614</u>	<u>8,162</u>	<u>407,090</u>	<u>14,371</u>	<u>1,945,457</u>
TOTAL REVENUES									

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

(Continued)

	GENERAL -- TOWN OUTSIDE	HIGHWAY -- TOWN WIDE	WATER	SEWER	COMMUNITY DEVELOPMENT	DRAINAGE	FIRE	MISCELLANEOUS SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
EXPENDITURES									
General Government Support	\$ 51,488	\$ -	\$ 879	\$ 1,390	\$ -	\$ -	\$ -	\$ -	\$ 53,757
Public Safety	159,164	-	-	-	-	-	352,718	-	511,882
Transportation	-	176,857	-	-	-	-	-	-	176,857
Culture And Recreation	754	-	-	-	-	-	-	51,860	52,614
Home And Community Service	103,721	-	326,713	276,151	-	-	-	-	706,585
Employee Benefits	67,185	127,550	3,864	2,756	-	-	-	-	201,355
Debt Service:									
Principal	-	-	37,500	13,000	-	-	-	-	50,500
Interest	-	-	5,438	8,129	-	-	-	-	13,567
TOTAL EXPENDITURES	382,312	304,407	374,394	301,426	-	-	352,718	51,860	1,767,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	91,074	21,622	20,873	19,112	614	8,162	54,372	(37,489)	178,340
OTHER FINANCING SOURCES (USES)									
Operating Transfers In	-	-	-	-	-	-	-	11,390	11,390
Operating Transfers Out	-	-	-	-	-	-	-	(1,803)	(1,803)
NET CHANGE IN FUND BALANCE	91,074	21,622	20,873	19,112	614	8,162	54,372	(27,902)	187,927
FUND BALANCE -- Beginning Of Year (Restated)	294,189	(3,988)	251,113	289,962	65,596	79,260	209,348	85,807	1,271,287
FUND BALANCE -- End Of Year	\$ 385,263	\$ 17,634	\$ 271,986	\$ 309,074	\$ 66,210	\$ 87,422	\$ 263,720	\$ 57,905	\$ 1,459,214

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
GENERAL FUND – TOWN WIDE
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 2,084,758	\$ 1,404,330
Cash - Restricted	244,894	267,557
Accounts Receivable	8,449	5,101
Due From Other Funds	216,983	398,539
Due From State And Federal	30,348	20,991
Due From Other Governments	154,297	163,185
Prepaid Expenditures	<u>212,422</u>	<u>203,018</u>
TOTAL ASSETS	<u>\$ 2,952,151</u>	<u>\$ 2,462,721</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 76,019	\$ 143,161
Accrued Liabilities	287,758	189,212
Due To Other Funds	25,237	36,758
Due To Other Governments	28,795	60,919
Unearned Revenues	<u>382,500</u>	<u>391,000</u>
TOTAL LIABILITIES	<u>800,309</u>	<u>821,050</u>
FUND BALANCE		
Nonspendable:		
Prepaid Items	212,422	203,018
Restricted:		
Capital Reserve – Vehicle	15,247	10,036
Police Seized Asset	228,847	257,521
Bench Repair	800	-
Assigned:		
Appropriated	-	161,550
Unassigned	<u>1,694,526</u>	<u>1,009,546</u>
TOTAL FUND BALANCE	<u>2,151,842</u>	<u>1,641,671</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,952,151</u>	<u>\$ 2,462,721</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
GENERAL FUND – TOWN OUTSIDE
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 248,791	\$ 153,135
Cash - Restricted	15,247	10,036
Accounts Receivable	44,136	46,333
Due From Other Funds	80,386	94,146
Prepaid Expenditures	<u>5,632</u>	<u>5,595</u>
TOTAL ASSETS	<u>\$ 394,192</u>	<u>\$ 309,245</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 1,687	\$ 8,176
Accrued Liabilities	7,044	6,880
Due To Other Funds	<u>198</u>	<u>-</u>
TOTAL LIABILITIES	<u>8,929</u>	<u>15,056</u>
FUND BALANCE		
Nonspendable:		
Prepaid Items	5,632	5,595
Restricted:		
Capital Reserve	15,247	10,036
Assigned:		
Appropriated	-	87,763
Unappropriated	<u>364,384</u>	<u>190,795</u>
TOTAL FUND BALANCE	<u>385,263</u>	<u>294,189</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 394,192</u>	<u>\$ 309,245</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- COMPARED TO BUDGET
GENERAL FUND – TOWN OUTSIDE
YEAR ENDED DECEMBER 31, 2019

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018
REVENUES				
Real Property Taxes	\$ 202,504	\$ 202,504	\$ -	\$ 93,651
Non-Property Tax Items	83,000	88,027	5,027	89,707
Departmental Income	40,750	54,655	13,905	39,778
Use Of Money And Property	310	3,617	3,307	834
Licenses And Permits	47,300	59,268	11,968	45,433
Miscellaneous Local Sources	3,999	63,017	59,018	3,967
State Aid	-	2,298	2,298	2,445
TOTAL REVENUES	<u>377,863</u>	<u>473,386</u>	<u>95,523</u>	<u>275,815</u>
EXPENDITURES				
General Government Support	72,238	51,488	20,750	42,607
Public Safety	172,721	159,164	13,557	171,324
Economic Assistance And Opportunity	7,000	-	7,000	-
Culture And Recreation	8,250	754	7,496	3,688
Home and Community Service	124,666	103,721	20,945	57,298
Employee Benefits	<u>75,751</u>	<u>67,185</u>	<u>8,566</u>	<u>72,078</u>
TOTAL EXPENDITURES	<u>460,626</u>	<u>382,312</u>	<u>78,314</u>	<u>346,995</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(82,763)	91,074	173,837	(71,180)
OTHER FINANCING USES				
Other Budgetary Purposes	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	(87,763)	91,074	178,837	(71,180)
FUND BALANCE – Beginning Of Year	<u>87,763</u>	<u>294,189</u>	<u>206,426</u>	<u>365,369</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 385,263</u>	<u>\$ 385,263</u>	<u>\$ 294,189</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ <u>66,210</u>	\$ <u>65,596</u>
TOTAL ASSETS	<u>\$ 66,210</u>	<u>\$ 65,596</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due To Other Funds	\$ <u>-</u>	\$ <u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCE		
Assigned:		
Unappropriated	<u>66,210</u>	<u>65,596</u>
TOTAL FUND BALANCE	<u>66,210</u>	<u>65,596</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 66,210</u>	<u>\$ 65,596</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
REVENUES		
Use Of Money And Property	\$ <u>614</u>	\$ <u>357</u>
TOTAL REVENUES	<u>614</u>	<u>357</u>
EXPENDITURES		
General Government Support	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	614	357
FUND BALANCE – Beginning Of Year	<u>65,596</u>	<u>65,239</u>
FUND BALANCE – End Of Year	<u>\$ 66,210</u>	<u>\$ 65,596</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
HIGHWAY FUND – TOWN WIDE
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 28,544	\$ 20,531
Due From Other Funds	2,526	2,793
Prepaid Expenditures	<u>2,960</u>	<u>5,436</u>
TOTAL ASSETS	<u>\$ 34,030</u>	<u>\$ 28,760</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 233	\$ 431
Accrued Liabilities	4,527	4,353
Due To Other Funds	<u>11,636</u>	<u>27,964</u>
TOTAL LIABILITIES	<u>16,396</u>	<u>32,748</u>
FUND BALANCES		
Nonspendable:		
Prepaid Items	2,960	5,436
Assigned:		
Unappropriated	14,674	-
Unassigned	<u>-</u>	<u>(9,424)</u>
TOTAL FUND BALANCE	<u>17,634</u>	<u>(3,988)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 34,030</u>	<u>\$ 28,760</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
COMPARED TO BUDGET
HIGHWAY FUND – TOWN WIDE
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018
REVENUES				
Real Property Taxes	\$ 310,120	\$ 310,120	\$ -	\$ 286,718
Use Of Money And Property	600	1,520	920	673
Miscellaneous Local Sources	14,815	14,389	(426)	16,242
Federal Aid	-	-	-	529
TOTAL REVENUES	<u>325,535</u>	<u>326,029</u>	<u>494</u>	<u>304,162</u>
EXPENDITURES				
Transportation	177,703	176,857	846	169,574
Employees Benefits	<u>147,832</u>	<u>127,550</u>	<u>20,282</u>	<u>143,483</u>
TOTAL EXPENDITURES	<u>325,535</u>	<u>304,407</u>	<u>21,128</u>	<u>313,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	21,622	21,622	(8,895)
FUND BALANCE – Beginning Of Year	-	(3,988)	(3,988)	4,907
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 17,634</u>	<u>\$ 17,634</u>	<u>\$ (3,988)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
HIGHWAY FUND – PART TOWN
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 247,784	\$ 439,174
Cash - Restricted	90,393	56,997
Due From Other Funds	162,956	47,809
Accounts Receivable	3,414	4,864
Due From State And Federal	8,489	25,928
Prepaid Expenditures	<u>18,501</u>	<u>15,987</u>
TOTAL ASSETS	<u>\$ 531,537</u>	<u>\$ 590,759</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 41,335	\$ 22,956
Accrued Liabilities	12,326	11,371
Due To Other Funds	<u>777</u>	<u>-</u>
TOTAL LIABILITIES	<u>54,438</u>	<u>34,327</u>
FUND BALANCES		
Nonspendable:		
Prepaid Items	18,501	15,987
Restricted:		
Capital Reserve	90,393	56,997
Assigned:		
Encumbrances	148,501	-
Appropriated	-	155,703
Unappropriated	<u>219,704</u>	<u>327,745</u>
TOTAL FUND BALANCE	<u>477,099</u>	<u>556,432</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 531,537</u>	<u>\$ 590,759</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	WATER 1	WATER 2	WATER 3	WATER 4	TOTAL	2018 TOTAL
ASSETS						
Cash	\$ 207,304	\$ 71,773	\$ -	\$ 759	\$ 279,836	\$ 298,437
Water Rents Receivable	85,748	21,431	1,082	8,597	116,858	95,838
Due From Other Funds	44,406	36	-	51	44,493	36,354
Prepaid Expenditures	<u>335</u>	<u>29</u>	<u>7</u>	<u>50</u>	<u>421</u>	<u>536</u>
TOTAL ASSETS	<u>\$ 337,793</u>	<u>\$ 93,269</u>	<u>\$ 1,089</u>	<u>\$ 9,457</u>	<u>\$ 441,608</u>	<u>\$ 431,165</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 961	\$ 140	\$ 49	\$ 70	\$ 1,220	\$ 2,987
Accrued Liabilities	263	23	6	36	328	370
Due To Other Funds	440	7,424	46,454	12,729	67,047	115,117
Due To Other Governments	<u>74,840</u>	<u>19,784</u>	<u>942</u>	<u>5,461</u>	<u>101,027</u>	<u>61,578</u>
TOTAL LIABILITIES	<u>76,504</u>	<u>27,371</u>	<u>47,451</u>	<u>18,296</u>	<u>169,622</u>	<u>180,052</u>
FUND BALANCE						
Non-Spendable:						
Prepaid Items	335	29	7	50	421	536
Non-Current Receivables	32,057	-	-	-	32,057	30,273
Assigned	228,897	65,869	-	-	294,766	264,289
Unassigned	<u>-</u>	<u>-</u>	<u>(46,369)</u>	<u>(8,889)</u>	<u>(55,258)</u>	<u>(43,985)</u>
TOTAL FUND BALANCE	<u>261,289</u>	<u>65,898</u>	<u>(46,362)</u>	<u>(8,839)</u>	<u>271,986</u>	<u>251,113</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 337,793</u>	<u>\$ 93,269</u>	<u>\$ 1,089</u>	<u>\$ 9,457</u>	<u>\$ 441,608</u>	<u>\$ 431,165</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER DISTRICT #1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 21,262	\$ 21,262	\$ -	\$ 21,429
Departmental Income	214,030	263,178	49,148	234,826
Use Of Money And Property	100	2,387	2,287	1,428
Miscellaneous Local Sources	<u>-</u>	<u>61</u>	<u>61</u>	<u>34</u>
TOTAL REVENUES	<u>235,392</u>	<u>286,888</u>	<u>51,496</u>	<u>257,717</u>
EXPENDITURES				
General Government Support	757	756	1	1,210
Home And Community Services	253,818	237,009	16,809	193,842
Employee Benefits	3,088	3,087	1	4,396
Debt Service:				
Principal	17,550	17,550	-	17,550
Interest	<u>3,754</u>	<u>3,753</u>	<u>1</u>	<u>3,879</u>
TOTAL EXPENDITURES	<u>278,967</u>	<u>262,155</u>	<u>16,812</u>	<u>220,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(43,575)	24,733	68,308	36,840
FUND BALANCE – Beginning Of Year	<u>(43,575)</u>	<u>236,556</u>	<u>192,981</u>	<u>199,716</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 261,289</u>	<u>\$ 261,289</u>	<u>\$ 236,556</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 4,634	\$ 4,634	\$ -	\$ 4,671
Departmental Income	74,349	77,737	3,388	84,492
Use Of Money And Property	20	619	599	252
Miscellaneous Local Sources	-	-	-	3
TOTAL REVENUES	<u>79,003</u>	<u>82,990</u>	<u>3,987</u>	<u>89,418</u>
EXPENDITURES				
General Government Support	53	52	1	55
Home And Community Services	73,828	70,598	3,230	72,205
Employee Benefits	479	269	210	715
Debt Service:				
Principal	3,825	3,825	-	3,825
Interest	<u>818</u>	<u>818</u>	<u>-</u>	<u>845</u>
TOTAL EXPENDITURES	<u>79,003</u>	<u>75,562</u>	<u>3,441</u>	<u>77,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	7,428	7,428	11,773
FUND BALANCE – Beginning Of Year	-	<u>58,470</u>	<u>58,470</u>	<u>46,697</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 65,898</u>	<u>\$ 65,898</u>	<u>\$ 58,470</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER DISTRICT #3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 4,992	\$ 4,992	\$ -	\$ 4,651
Departmental Income	5,063	4,615	(448)	6,225
Use Of Money And Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
TOTAL REVENUES	<u>10,055</u>	<u>9,607</u>	<u>(448)</u>	<u>10,877</u>
EXPENDITURES				
General Government Support	20	9	11	7
Home And Community Services	4,886	4,805	81	5,780
Employee Benefits	157	57	100	270
Debt Service:				
Principal	4,125	16,125	(12,000)	4,125
Interest	<u>867</u>	<u>867</u>	<u>-</u>	<u>529</u>
TOTAL EXPENDITURES	<u>10,055</u>	<u>21,863</u>	<u>(11,808)</u>	<u>10,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(12,256)	(12,256)	166
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>(34,106)</u>	<u>(34,106)</u>	<u>(34,272)</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ (46,362)</u>	<u>\$ (46,362)</u>	<u>\$ (34,106)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER DISTRICT #4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Departmental Income	\$ 14,564	\$ 15,782	\$ 1,218	\$ 12,996
Miscellaneous Locals Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
TOTAL REVENUES	<u>14,564</u>	<u>15,782</u>	<u>1,218</u>	<u>13,001</u>
EXPENDITURES				
General Government Support	63	62	1	90
Home And Community Services	14,049	14,301	(252)	11,173
Employee Benefits	<u>452</u>	<u>451</u>	<u>1</u>	<u>750</u>
TOTAL EXPENDITURES	<u>14,564</u>	<u>14,814</u>	<u>(250)</u>	<u>12,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	968	968	988
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>(9,807)</u>	<u>(9,807)</u>	<u>(10,795)</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ (8,839)</u>	<u>\$ (8,839)</u>	<u>\$ (9,807)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
SEWER FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	SEWER 1	SEWER 5	SEWER 6	TOTAL	2018 TOTAL
ASSETS					
Cash	\$ 238,030	\$ 22,096	\$ 106,665	\$ 366,791	\$ 411,274
Sewer Rents Receivable	45,272	24,666	25,385	95,323	84,290
Due From Other Funds	-	2,106	188	2,294	8,499
Prepaid Expenditures	143	86	64	293	424
TOTAL ASSETS	<u>\$ 283,445</u>	<u>\$ 48,954</u>	<u>\$ 132,302</u>	<u>\$ 464,701</u>	<u>\$ 504,487</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 14,609	\$ 388	\$ 2,322	\$ 17,319	\$ 5,320
Accrued Liabilities	104	71	59	234	261
Due To Other Funds	30,820	11,401	34,010	76,231	163,033
Due To Other Governments	45,130	16,713	-	61,843	45,911
TOTAL LIABILITIES	<u>90,663</u>	<u>28,573</u>	<u>36,391</u>	<u>155,627</u>	<u>214,525</u>
FUND BALANCE					
Non-Spendable:					
Prepaid Items	143	86	64	293	424
Assigned	192,639	20,295	95,847	308,781	289,538
TOTAL FUND BALANCE	<u>192,782</u>	<u>20,381</u>	<u>95,911</u>	<u>309,074</u>	<u>289,962</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 283,445</u>	<u>\$ 48,954</u>	<u>\$ 132,302</u>	<u>\$ 464,701</u>	<u>\$ 504,487</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
SEWER DISTRICT #1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Departmental Income	\$ 206,124	\$ 200,134	\$ (5,990)	\$ 214,201
Use Of Money And Property	800	2,134	1,334	924
Miscellaneous Local Sources	-	61	61	13
TOTAL REVENUES	<u>206,924</u>	<u>202,329</u>	<u>(4,595)</u>	<u>215,138</u>
EXPENDITURES				
General Government Support	307	306	1	302
Home And Community Services	206,037	205,812	225	181,714
Employee Benefits	<u>1,293</u>	<u>1,291</u>	<u>2</u>	<u>1,603</u>
TOTAL EXPENDITURES	<u>207,637</u>	<u>207,409</u>	<u>228</u>	<u>183,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(713)	(5,080)	(4,367)	31,519
FUND BALANCE – Beginning Of Year	<u>713</u>	<u>197,862</u>	<u>197,149</u>	<u>166,343</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 192,782</u>	<u>\$ 192,782</u>	<u>\$ 197,862</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
SEWER DISTRICT #5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 5,765	\$ 5,765	\$ -	\$ 6,063
Departmental Income	27,092	40,081	12,989	23,830
Use Of Money And Property	300	228	(72)	180
Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
TOTAL REVENUES	<u>33,157</u>	<u>46,074</u>	<u>12,917</u>	<u>30,081</u>
EXPENDITURES				
General Government Support	141	141	-	134
Home And Community Services	26,454	36,748	(10,294)	27,461
Employee Benefits	797	795	2	950
Debt Service:				
Principal	4,500	4,500	-	4,500
Interest	<u>1,265</u>	<u>1,265</u>	<u>-</u>	<u>1,563</u>
TOTAL EXPENDITURES	<u>33,157</u>	<u>43,449</u>	<u>(10,292)</u>	<u>34,608</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,625	2,625	(4,527)
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>17,756</u>	<u>17,756</u>	<u>22,283</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 20,381</u>	<u>\$ 20,381</u>	<u>\$ 17,756</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
SEWER DISTRICT #6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 18,139	\$ 18,139	\$ -	\$ 15,640
Departmental Income	35,377	52,633	17,256	38,324
Use Of Money And Property	600	1,363	763	1,057
Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
TOTAL REVENUES	<u>54,116</u>	<u>72,135</u>	<u>18,019</u>	<u>55,026</u>
EXPENDITURES				
General Government Support	944	943	1	8,867
Home And Community Services	33,999	33,591	408	35,001
Employee Benefits	1,034	670	364	1,090
Debt Service:				
Principal	8,500	8,500	-	8,500
Interest	<u>9,639</u>	<u>6,864</u>	<u>2,775</u>	<u>4,541</u>
TOTAL EXPENDITURES	<u>54,116</u>	<u>50,568</u>	<u>3,548</u>	<u>57,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	21,567	21,567	(2,973)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,570</u>
NET CHANGE IN FUND BALANCE	-	21,567	21,567	3,597
FUND BALANCE -- Beginning Of Year	<u>-</u>	<u>74,344</u>	<u>74,344</u>	<u>70,747</u>
FUND BALANCE -- End Of Year	<u>\$ -</u>	<u>\$ 95,911</u>	<u>\$ 95,911</u>	<u>\$ 74,344</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	DRAINAGE 1	DRAINAGE 2	DRAINAGE 3	DRAINAGE 4	TOTAL	2018 TOTAL
ASSETS						
Cash	\$ 22,502	\$ 25,137	\$ 16,360	\$ 23,423	\$ 87,422	\$ 79,260
TOTAL ASSETS	\$ 22,502	\$ 25,137	\$ 16,360	\$ 23,423	\$ 87,422	\$ 79,260
LIABILITIES AND FUND BALANCE						
FUND BALANCE						
Assigned:						
Unappropriated	\$ 22,502	\$ 25,137	\$ 16,360	\$ 23,423	\$ 87,422	\$ 79,260
TOTAL FUND BALANCE	22,502	25,137	16,360	23,423	87,422	79,260
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,502	\$ 25,137	\$ 16,360	\$ 23,423	\$ 87,422	\$ 79,260

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE DISTRICT #1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 1,470	\$ 1,470	\$ -	\$ 1,470
Use Of Money And Property	<u>-</u>	<u>202</u>	<u>202</u>	<u>116</u>
TOTAL REVENUES	<u>1,470</u>	<u>1,672</u>	<u>202</u>	<u>1,586</u>
EXPENDITURES				
Home And Community Services	<u>1,470</u>	<u>-</u>	<u>1,470</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,470</u>	<u>-</u>	<u>1,470</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,672	1,672	1,586
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>20,830</u>	<u>20,830</u>	<u>19,244</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 22,502</u>	<u>\$ 22,502</u>	<u>\$ 20,830</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 1,834	\$ 1,834	\$ -	\$ 1,834
Use Of Money And Property	<u>-</u>	<u>226</u>	<u>226</u>	<u>129</u>
TOTAL REVENUES	<u>1,834</u>	<u>2,060</u>	<u>226</u>	<u>1,963</u>
EXPENDITURES				
Home And Community Services	<u>1,834</u>	<u>-</u>	<u>1,834</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,834</u>	<u>-</u>	<u>1,834</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,060	2,060	1,963
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>23,077</u>	<u>23,077</u>	<u>21,114</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 25,137</u>	<u>\$ 25,137</u>	<u>\$ 23,077</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE DISTRICT #3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 1,688	\$ 1,688	\$ -	\$ 1,688
Use Of Money And Property	<u>-</u>	<u>147</u>	<u>147</u>	<u>82</u>
TOTAL REVENUES	<u>1,688</u>	<u>1,835</u>	<u>147</u>	<u>1,770</u>
EXPENDITURES				
Home And Community Services	<u>1,688</u>	<u>-</u>	<u>1,688</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,688</u>	<u>-</u>	<u>1,688</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,835	1,835	1,770
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>14,525</u>	<u>14,525</u>	<u>12,755</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 16,360</u>	<u>\$ 16,360</u>	<u>\$ 14,525</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE DISTRICT #4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 2,385	\$ 2,385	\$ -	\$ 2,385
Use Of Money And Property	<u>-</u>	<u>210</u>	<u>210</u>	<u>118</u>
TOTAL REVENUES	<u>2,385</u>	<u>2,595</u>	<u>210</u>	<u>2,503</u>
EXPENDITURES				
Home And Community Services	<u>2,385</u>	<u>-</u>	<u>2,385</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,385</u>	<u>-</u>	<u>2,385</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,595	2,595	2,503
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>20,828</u>	<u>20,828</u>	<u>18,325</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 23,423</u>	<u>\$ 23,423</u>	<u>\$ 20,828</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 196,848	\$ 142,562
Prepaid Expenditures	<u>66,872</u>	<u>66,786</u>
TOTAL ASSETS	<u>\$ 263,720</u>	<u>\$ 209,348</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due To Other Funds	\$ <u>-</u>	\$ <u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	66,872	66,786
Assigned:		
Appropriated	67,083	23,269
Unappropriated	<u>129,765</u>	<u>119,293</u>
TOTAL FUND BALANCE	<u>263,720</u>	<u>209,348</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 263,720</u>	<u>\$ 209,348</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 390,670	\$ 390,670	\$ -	\$ 436,825
Use Of Money And Property	-	2,314	2,314	1,263
Miscellaneous Local Sources	-	14,106	14,106	23,269
TOTAL REVENUES	390,670	407,090	16,420	461,357
EXPENDITURES				
Public Safety	413,939	352,718	61,221	360,476
TOTAL EXPENDITURES	413,939	352,718	61,221	360,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,269)	54,372	77,641	100,881
FUND BALANCE -- Beginning Of Year	(23,269)	209,348	186,079	108,467
FUND BALANCE -- End Of Year	\$ -	\$ 263,720	\$ 263,720	\$ 209,348

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	COMPUTER UPGRADE	BUILDING RENOVATION	NORTH PUTT CORNERS BUILDING	POLICE VEHICLE	OTHER PROJECTS	TOTAL	2018 TOTAL
ASSETS							
Cash	\$ -	\$ 134,834	\$ -	\$ -	\$ 49,605	\$ 184,439	\$ 200,771
Cash – Restricted	24,218	-	1,005,817	-	157,793	1,187,828	176,493
Due From Other Funds	-	-	-	-	4,265	4,265	-
Due From State And Federal	-	-	-	-	-	-	44,720
Due From Other Governments	-	-	-	-	121,752	121,752	-
TOTAL ASSETS	<u>\$ 24,218</u>	<u>\$ 134,834</u>	<u>\$ 1,005,817</u>	<u>\$ -</u>	<u>\$ 333,415</u>	<u>\$ 1,498,284</u>	<u>\$ 421,984</u>
LIABILITIES & FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 6,610	\$ -	\$ -	\$ 6,610	\$ 48,320
BAN's Payable	75,000	-	2,500,000	-	908,360	3,483,360	1,091,920
Due To Other Funds	-	-	26,500	-	111,764	138,264	162,746
TOTAL LIABILITIES	<u>75,000</u>	<u>-</u>	<u>2,533,110</u>	<u>-</u>	<u>1,020,124</u>	<u>3,628,234</u>	<u>1,302,986</u>
FUND BALANCE							
Assigned	-	134,834	-	-	63,631	198,465	131,252
Unassigned	(50,782)	-	(1,527,293)	-	(750,340)	(2,328,415)	(1,012,254)
TOTAL FUND BALANCE	<u>(50,782)</u>	<u>134,834</u>	<u>(1,527,293)</u>	<u>-</u>	<u>(686,709)</u>	<u>(2,129,950)</u>	<u>(881,002)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 24,218</u>	<u>\$ 134,834</u>	<u>\$ 1,005,817</u>	<u>\$ -</u>	<u>\$ 333,415</u>	<u>\$ 1,498,284</u>	<u>\$ 421,984</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	COMPUTER UPGRADE	BUILDING RENOVATION	NORTH PUTT CORNERS BUILDING	POLICE VEHICLE	OTHER PROJECTS	TOTAL	2018 TOTAL
REVENUES							
Use Of Money And Property	\$ -	\$ 1,464	\$ 4,334	\$ -	\$ 4,055	\$ 9,853	\$ 6,580
Miscellaneous Local Sources	-	-	-	-	141,452	141,452	14,391
State Aid	-	-	-	-	-	-	47,388
TOTAL REVENUES	-	1,464	4,334	-	145,507	151,305	68,359
EXPENDITURES							
Capital Outlay	50,782	-	1,481,377	41,426	27,982	1,601,567	280,696
TOTAL EXPENDITURES	50,782	-	1,481,377	41,426	27,982	1,601,567	280,696
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,782)	1,464	(1,477,043)	(41,426)	117,525	(1,450,262)	(212,337)
OTHER FINANCING SOURCES (USES)							
BAN's Redeemed From Appropriations	-	-	-	-	159,888	159,888	86,960
Proceeds Of Long Term Debt	-	-	-	41,426	-	41,426	39,184
Operating Transfers Out	-	-	(50,250)	-	-	(50,250)	(6,570)
Operating Transfers In	-	50,250	-	-	-	50,250	-
TOTAL OTHER FINANCING SOURCES (USES)	-	50,250	(50,250)	41,426	159,888	201,314	119,574
EXCESS (DEFICIENCY) REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(50,782)	51,714	(1,527,293)	-	277,413	(1,248,948)	(92,763)
FUND BALANCE -- Beginning Of Year	-	83,120	-	-	(964,122)	(881,002)	(788,239)
FUND BALANCE -- End Of Year	\$ (50,782)	\$ 134,834	\$ (1,527,293)	\$ -	\$ (686,709)	\$ (2,129,950)	\$ (881,002)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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*

Independent Auditor's Report

To The Supervisor and Town Board
Of The Town of New Paltz
New Paltz, New York 12561

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 New Paltz, New York as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of New Paltz, New York's basic financial statements and have issued our report thereon dated June 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of New Paltz, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of New Paltz, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of New Paltz, 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, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of New Paltz, 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.

A handwritten signature in cursive script that reads "Cooper Davis LLP".

Mongaup Valley, New York
June 12, 2020

APPENDIX C

FORM OF CONTINUING DISCLOSURE

**TOWN OF NEW PALTZ
COUNTY OF ULSTER, NEW YORK
CONTINUING DISCLOSURE AGREEMENT**

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement"), dated as of September __, 2020, is made by and between the Town of New Paltz (the "Issuer"), a municipal corporation of the State of New York, located in the County of Ulster, and the holders and beneficial owners from time to time of the Issuer's \$_____ Public Improvement Serial Bonds - 2020 (the "Bonds") dated as the date hereof, under the circumstances summarized in the following recitals:

A. The Issuer, by passage of a serial bond resolution adopted by the Town Board of the Issuer on July 18, 2019 (the "Resolution"), and pursuant to a Certificate of Determination of the Town Supervisor, dated the date hereof, has determined to issue the Bonds to finance the costs of the acquisition and construction of a new facilities for the Town Police Department and Town Justice Court (the "Original Purchaser"), has agreed to provide those funds to the Issuer by purchasing the Bonds.

B. It is understood by the Issuer that immediately upon issuance and delivery of the Bonds, the Original Purchaser will sell and deliver the Bonds to other holders and beneficial owners, that the Original Purchaser would not purchase the Bonds from the Issuer, and the Issuer would not be assured of the availability of funds required for its purposes, if the Original Purchaser were not able to so sell and deliver the Bonds, and that the Bonds will be transferred from time to time from holders and beneficial owners to other holders and beneficial owners who may rely upon this Agreement made by the Issuer hereunder.

C. As a condition to the purchase of the Bonds from the Issuer and the sale of the Bonds to holders and beneficial owners, the Original Purchaser is required to reasonably determine that the Issuer has made an agreement for the benefit of holders and beneficial owners from time to time of the Bonds for purposes of paragraph (b)(5)(i) of the Securities Exchange Commission Rule 15(c)2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

NOW, THEREFORE, in consideration of the purchase of the Bonds from the Issuer by the Original Purchaser and the contemplated sale of the Bonds to and between other holders and beneficial owners from time to time, the Issuer hereby agrees pursuant to the Resolution, for the benefit of the holders and beneficial owners from time to time of the Bonds, as follows:

Section 1. Provision of Annual Information; Audited Financial Statements; and Notices of Events. The Issuer hereby agrees to provide or cause to be provided:

(a) to the Municipal Securities Rule Making Board ("MSRB") through the Electronic Municipal Market Access System ("EMMA"), or any other such system established and operated by the MSRB, (i) annual financial information and operating data for each fiscal year of the Issuer of the type described in Section 2 (Annual Information), commencing with Annual Information for the fiscal year ending December 31, 2018, not later than the 6 months following the end of each fiscal year, and (ii) on or prior to the 270th day following the end of the fiscal year, the audited financial statements, if any, of the Town for such fiscal year, commencing with the fiscal year ending December 31, 2020 unless such audited financial statements, if any, shall not then be available, in which case unaudited financial statements shall be provided and audited financial statements shall be provided within 30 days after they become available, but in no event, not later than the last business day of each such succeeding fiscal year; and

(b) to EMMA, within 10 business days of the occurrence thereof, (i) notice of the occurrence of any Specified Event described in Section 2, (ii) notice of the Issuer's failure to provide the Annual Information with respect to itself within the time specified above, and (iii) notice of any change in the accounting principles applied in the preparation of annual financial statements, any change in the Issuer's fiscal year, failure of the Issuer to appropriate funds to meet costs to be incurred in the performance of this Agreement, or the termination of this Agreement.

It is the Issuer's expectation that audited annual financial statements of the Issuer will be prepared and statements will be available together with the Annual Information.

Section 2. Annual Information and Specified Events.

(a) Annual Information to be provided by the Issuer shall consist of annual financial information and operating data of the type included in the Official Statement under the headings "THE TOWN" and all subheadings, INDEBTEDNESS OF THE TOWN" and all subheadings, "DEMOGRAPHIC AND STATISTICAL INFORMATION" and all subheadings, "REAL PROPERTY TAX INFORMATION" and all subheadings and "LITIGATION", and in Appendices A and B. The Issuer expects that Annual Information will be provided upon request by any person through the Issuer's financial advisor, Munistat Services, Inc.

(b) Specified Events shall include: principal and interest payment delinquencies; non-payment related defaults, if material; unscheduled draws on debt service reserve funds reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; 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 Bonds or events affecting the tax status of the Bonds; modifications to rights of beneficial owners, if material; bond calls, if material; tender offers; defeasances; release, substitution, or sale of property securing repayment of the Bonds, if material; bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer; consummation of a merger, consolidation, acquisition involving the Issuer, other than in the ordinary course of business, or the sale of substantially all of the assets of the Issuer, or the entry of a definitive agreement to engage in a transaction, or a termination of such an agreement, other than in accordance with its terms, if material; appointment of a successor or additional trustee, or the change in the name of the trustee, if material; and rating changes.

Section 3. Amendments. The Issuer reserves the right to amend this Agreement as may be necessary or appropriate to achieve its compliance with any federal securities law or rule or to cure any ambiguity, inconsistency or formal defect or omission, and, if a change in circumstances arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted by the Issuer, to address any such change in circumstances. Any such amendment shall not be effective unless and until the Issuer shall have received: (a) a written opinion of bond or other independent special counsel expert in federal securities laws that this Agreement (as amended) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments to or interpretations of the Rule, as well as any change in circumstances, and (b) a written opinion of bond counsel or determination of the holders or beneficial owners of at least 25% in aggregate principal amount of the Bonds then outstanding, that the amendment would not materially impair the interests of holders or beneficial owners or, if the amendment would materially impair the interests of holders or beneficial owners, the written approval of the amendment by all of the holders and beneficial owners of the Bonds then outstanding. Annual information and operating data containing any amendment thereto shall explain, in narrative form, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided.

Section 4. Default. Any holder or beneficial owner may enforce the Issuer's obligation to provide or cause to be provided a filing that is due in accordance with this Agreement and the Resolution in the absence of any pertinent filing having been made (disregarding the sufficiency of the filing if a pertinent filing has been made), and holders and beneficial owners also may take actions or proceedings under applicable law to enforce any other obligations of the Issuer under this Agreement and the Resolution made for purposes of the Rule (including any obligation as to the sufficiency of any filing that is made); provided, that the right of the beneficial owners or holders to enforce any provision of this Agreement, or the agreement made by the Issuer in the Resolution for purposes of the Rule, shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder.

Section 5. Non-Appropriation. The performance by the Issuer of its obligations under this Agreement and the Resolution shall be subject to the availability of funds and their annual appropriation to meet costs the Issuer would be required to incur in their performance.

Section 6. Termination. The obligations of the Issuer under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the Issuer remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of the Issuer to provide the information and notices of the events described above shall terminate, if and when the Issuer no longer remains such an obligated person.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be duly signed and delivered on its behalf by the Town Supervisor of the Issuer, all as of the date set forth above, and the holders and beneficial owners from time to time of the Bonds shall be deemed to have accepted this Agreement and the agreement made by the Issuer in the Resolution for purposes of the Rule, upon acquisition and acceptance of any interest in a Bond.

Dated: September __, 2020

TOWN OF NEW PALTZ, NEW YORK

By: _____
Neil Bettez
Town Supervisor