

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 19, 2022

NEW ISSUE/RENEWALS

BOND ANTICIPATION NOTES

In the opinion of Harris Beach PLLC, New York, New York, Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

The Town will designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Internal Revenue Code of 1986, as amended.

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

\$9,046,380

BOND ANTICIPATION NOTES, 2022C

Dated Date: October 6, 2022

Maturity Date: October 6, 2023

Security and Sources of Payment: The Notes will constitute general obligations of the Town and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and, unless paid from other sources, all the taxable real property within the Town will be subject to the levy of ad valorem taxes to pay such principal and the interest, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. See "Tax Levy Limitation Law" herein.

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee, which will act as the securities depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd domination. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on September 27, 2022 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Harris Beach PLLC, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Notes in book-entry form will be made through the facilities of DTC in New York, New York, on or about October 6, 2022 in New York, New York.

FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION, SEE "DISCLOSURE UNDERTAKING" HEREIN.

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

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* * *

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* * *

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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 Notes 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.

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OFFICIAL STATEMENT
Relating to
TOWN OF NEW PALTZ
ULSTER COUNTY, NEW YORK
\$9,046,380

BOND ANTICIPATION NOTES, 2022C

This Official Statement and appendices thereto presents certain information relating to the Town of New Paltz, in the County of Ulster, and in the State of New York (the "Town", the "County" and "State," respectively) in connection with the sale of \$9,046,380 Bond Anticipation Notes – 2022C (the "Notes").

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

Description of the Notes

The Notes will be dated October 6, 2022 and will mature, without right of redemption prior to maturity, on October 6, 2023, with interest payable at maturity.

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

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the Town Supervisor in Fishkill, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof, except for one odd denomination. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The Town will act as Paying Agent for the Notes. 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 Notes will not be subject to redemption prior to their maturity.

Book-Entry System

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need or physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC 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"). 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 the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of 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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on 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 or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest 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.

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

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

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

Source: The Depository Trust Company

Authorization and Purpose

The Notes 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 to redeem the Town's \$9,231,000 Bond Anticipation Note, 2021D, dated November 2, 2021 and maturing on October 7, 2022 and are authorized by 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 Authorized	Amount Outstanding	Amount to Pay Down	Total Amount to be Issued
7/16/2020	Construction of an Alternative Town and Village Water Supply System in District #5*	\$ 9,231,000	\$ 9,231,000	\$ 184,620	\$ 9,046,380
	Totals:	\$ 9,231,000	\$ 9,231,000	\$ 184,620	\$ 9,046,380

*The full amount of the project is expected to be reimbursed by The City of New York, through the New York Department of Environment Protection, prior to the end of 2023 pursuant to an agreement with the City.

Nature of Obligation

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

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. 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 within the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. See "Tax Levy Limitation Law, herein.

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

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

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

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

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

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

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

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

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

Tax Levy Limitation Law

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

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

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

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

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

Execution/Attachment of Municipal Property

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

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, city, town or village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

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

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

State Debt Moratorium Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

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

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

Default Litigation

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

No Past Due Debt

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

THE TOWN

There follows in this Official 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 2020 census estimate, the estimated population is 14,117. 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 60 full-time employees, 37 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	12	12/31/2022
UPSEU - Blue Collar	14	12/31/2022
PBA	33	12/31/2023

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
2020	14,117	178,371	19,514,849

Source: U.S. Census Bureau.

Income Data

	Per Capita Money Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of New Paltz	NA	NA	\$26,846	\$33,732
County of Ulster	14,921	20,842	28,532	35,816
State of New York	16,501	23,389	30,948	40,898

	Median Household Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of New Paltz	NA	NA	\$63,217	\$75,455
County of Ulster	34,033	42,551	56,434	65,306
State of New York	39,741	51,691	67,405	71,117

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>
2016	297	5,164,171
2017	285	4,159,150
2018	265	1,021,393
2019	299	4,700,621
2020	383	5,969,224
2021	249	4,908,378

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>
2017	4.6	4.7
2018	3.9	4.1
2019	3.8	4.0
2020	8.0	12.3
2021	4.7	6.9
2022 (3 Month Average)	3.7	5.0

Source: Department of Labor, State of New York.

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 November 17, 2021.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

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, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and 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 year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation 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 Limitation 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 Limitation 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, the finance board of the Town. Certain such resolutions may be submitted to the Town voters at the discretion of the Town Board.

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. Except on rare occasions, the Town complies with this estoppel procedure. The Town is in compliance with such requirements with respect to the bond resolution authorizing the issuance of the Notes.

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 (subject to certain exceptions) 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".

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 Limitation 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 Limitation Law. See "Nature of Obligation" and "Tax Levy Limitation Law," herein.

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The following pages set forth certain details with respect to the Indebtedness of the Town.

Computation of Debt Limit and Net Debt Contracting Margin
(As of September 19, 2022)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
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	2,104,665,920
2020	2,003,897,364	90.00	2,226,552,627
2021	2,023,302,457	86.00	<u>2,352,677,276</u>
Total Five Year Full Valuation			\$10,662,506,315
Average Five Year Full Valuation			2,132,501,263
Debt Limit - 7% of Average Full Valuation			149,275,088
Inclusions:			
Outstanding Bonds:			
General Purposes			7,720,000
Sewer Purposes			3,350
Water Purposes			<u>0</u>
Sub-Total			7,723,350
Outstanding Bond Anticipation Notes:			
General Purposes			1,218,640
Sewer Purposes			204,000
Water Purposes			<u>9,231,000</u>
Sub-Total			10,653,640
Total Inclusions			<u>18,376,990</u>
Exclusions:			
Water Debt			9,231,000
Bond Appropriations			0
Note Appropriations			<u>400,454</u>
Total Exclusions			9,631,454
Total Net Indebtedness			<u>8,745,536</u>
Net Debt Contracting Margin			<u><u>\$140,529,552</u></u>
Percent of Debt Limit Exhausted			5.86%

*-On the issuance date of the Bonds, the Town will also be issuing (i) \$228,480 Public Improvement Serial Bonds, 2022 and (ii) a bond anticipation note, the proceeds of each of which shall redeem and renew the Town's outstanding \$1,191,040 Bond Anticipation Notes, 2021C. Each issue is being sold in a private sale.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 359,500	\$ 220,452	\$ 579,952
2023	373,350	203,405	576,755
2024	385,000	185,756	570,756
2025	345,000	167,331	512,331
2026	365,000	150,081	515,081
2027	380,000	131,831	511,831
2028	405,000	112,831	517,831
2029	420,000	96,631	516,631
2030	425,000	91,906	516,906
2031	425,000	86,594	511,594
2032	430,000	80,750	510,750
2033	440,000	74,300	514,300
2034	445,000	66,600	511,600
2035	460,000	57,700	517,700
2036	465,000	48,500	513,500
2037	475,000	39,200	514,200
2038	485,000	29,700	514,700
2039	495,000	20,000	515,000
2040	505,000	10,100	515,100
Totals:	<u>\$8,082,850</u>	<u>\$1,873,670</u>	<u>\$9,956,520</u>

Trend of Town Indebtedness

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Outstanding End of Year:					
Bonds	\$ 410,850	\$ 351,350	\$ 291,850	\$8,322,350	\$ 8,082,850
BANs	<u>1,249,880</u>	<u>1,091,920</u>	<u>3,435,060</u>	<u>873,000</u>	<u>10,653,640</u>
Total Debt Outstanding	<u>\$1,660,730</u>	<u>\$1,443,270</u>	<u>\$3,726,910</u>	<u>\$9,195,350</u>	<u>\$18,736,490</u>

Authorized but Unissued Indebtedness

The Town does not have any unauthorized but unissued debt.

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>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Ulster	6/29/2022	11.78	\$14,548,772	\$13,379,008
Village of New Paltz	8/30/2022	100.00	10,127,000	2,980,000
New Paltz CSD	12/29/2021	90.00	38,875,500	15,550,200
New Paltz FD	12/31/2020	100.00	0	0
Totals:			\$63,551,272	\$31,909,208

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 19, 2022)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$18,376,990	\$1,302	0.78
Net Direct Debt	8,745,536	620	0.37
Total Direct & Applicable Total Overlapping Debt	81,928,262	5,804	3.48
Net Direct & Applicable Net Overlapping Debt	40,654,744	2,880	1.73

a. The current estimated population of the Town is 14,117.

b. The full valuation of taxable real property is \$2,352,677,276.

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, 2021. 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 2017-2021 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 Miscellaneous Special Revenue 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 New York 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 Limitation 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 meter rents. 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: 0.0%; Environmental Score: 10.0%).

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

Based on the audited report of the Town, the Town received approximately 4.80% of its total General Fund operating revenue from State aid in 2021. 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 has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

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 or 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.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021 and as budgeted, for 2022.

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
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	9,009,497	265,781	2.95
2021	10,047,696	482,373	4.80
2022(Budgeted)	9,714,596	260,000	2.68

Source: Audited financial statements 2017 through 2021, and the adopted budget for 2022. Table itself is not audited.

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 contact 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 five 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>
2017	\$317,807	\$394,130	\$ 711,937
2018	319,332	395,796	715,128
2019	326,013	412,434	738,447
2020	342,392	452,040	794,432
2021	428,739	599,510	1,028,249
2022 (Budgeted)	402,277	618,755	1,021,032

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, 2021:</u>
Total OPEB liability as of December 31, 2020	\$40,716,232
Changes for the year:	
Service Cost	1,311,573
Interest	777,071
Changes in Benefit Terms	
Differences between actual and expected experience	1,369,536
Changes in Assumptions and Other Inputs	(1,939,636)
Benefit payments	<u>(906,956)</u>
Total Changes	<u>\$611,588</u>
Total OPEB liability as of December 31, 2021	<u><u>\$41,327,820</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Levy:					
County	\$4,866,532	\$4,731,458	\$4,792,807	\$5,989,612	\$5,950,669
Town & Hwy	8,348,108	8,916,061	10,571,869	9,740,809	10,090,262
Special Districts:					
Water Districts	30,751	30,888	40,054	27,959	32,230
Sewer Districts	21,703	23,904	30,125	15,157	16,385
Drainage Districts	7,377	7,377	7,377	7,377	7,377
Fire District	436,825	390,670	365,966	434,442	398,233
Library Fund	<u>556,000</u>	<u>556,000</u>	<u>556,000</u>	<u>556,000</u>	<u>656,000</u>
Total Tax Levy	\$14,267,296	\$14,656,358	\$16,364,198	\$16,771,356	\$17,151,156
Tax Rate per \$1,000 Assessed Valuation (General & Highway)					
County	\$4.27	\$4.14	\$3.96	\$4.14	\$4.07
Town & Hwy (TOV)	\$6.40	\$6.87	\$9.42	\$9.43	\$9.76
Town & Hwy (Townwide)	\$6.29	\$6.63	\$7.04	\$7.31	\$7.57

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>
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	9,009,497	7,401,492	82.15
2021	10,047,696	7,730,409	76.94
2022 (Budgeted)	9,714,596	8,133,579	83.73

Source: Audited financial statements (2017-2021) and Adopted Budget of the Town (2022).

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

Prior to the enactment of Tax Levy Limitation 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 Limitation Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, 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 Limitation Law.

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limitation 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 Limitation 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 Limitation 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 Limitation Law. As such, there can be no assurances that the Tax Levy Limitation 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 Limitation 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 2022 Budgets did not exceed the tax levy limitation.

Selected Listing of Large Taxable Properties
2021 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
New Paltz Properties	Shopping Center	\$8,075,000
New Paltz Housing	Apartments	5,211,048
Storage Portfolio	Warehouse	5,200,000
New Paltz Hospitality LLC	Hotel	4,000,000
Karl Farm Holdings III, LLC	Farm	3,371,550
New Paltz SNF Realty LLC	Aged Home	3,300,000
MCB-Eagle New Paltz LLC	Supermarket	3,300,000
RD Croce Family Holdings LLC	Manufacture	2,675,000
Smiley Brothers Inc.	Resort Complex	2,536,000
Alpac Partners LLC	Commercial	2,399,000
Total ^a		<u><u>\$40,067,598</u></u>

a. The Town of New Paltz's 2021 assessment roll.

b. Represents 1.98% of the Town's 2021 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. 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 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 Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, September 30, 2024.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

MARKET AND RISK FACTORS

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

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

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

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

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

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

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Town and hence upon the market price of the Notes. See "Tax Levy Limitation Law" herein.

TAX MATTERS

In the opinion of Harris Beach PLLC, White Plains, New York, Bond Counsel to the Town, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Town with certain covenants and the accuracy of certain representations, interest on the Notes 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. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. (See below).

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order for interest on the Notes to be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of Federal income tax, possibly from their respective dates of issuance. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Notes, the Town will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Inflation Reduction Act of 2022, for tax years beginning after December 31, 2022, imposes a Federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt bonds, such as the Notes, is included in the computation of a

corporation's "adjusted financial statement income". Prospective Bondholders that may be subject to the corporate alternative minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

The Notes will be designated as "qualified tax exempt obligations" within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to Federal or State income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination, or the course or result of any Internal Revenue Service examination of the Notes or of obligations which present similar tax issues, will not affect the market price or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Legal Matters

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, White Plains, New York, Bond Counsel to the Town. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended (see "TAX LEVY LIMITATION LAW" herein); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel's examination of law and review of the arbitrage and use of proceeds certificate executed by the Town Supervisor of the Town pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference

should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Closing Certificates

Upon delivery of and payment for the Notes, the purchaser(s) of the Notes 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 Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes, (b) a certificate or certificates executed by the officer of the Town who executed the Notes 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 Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement relating to the Notes, on the date thereof and on the date of delivery of and payment for the Notes, 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) an arbitrage and use of proceeds certificate executed by the Town Comptroller, (d) the unqualified legal opinion as to the validity of the Notes of Harris Beach PLLC, New York, New York, Bond Counsel, and (e) a Continuing Disclosure Agreement relating to the Notes, executed by the Town Comptroller for purposes of the Rule. (See Appendix C attached hereto).

DISCLOSURE UNDERTAKING

At the time of the delivery of the Notes, the Town will provide an executed copies of its Continuing Disclosure Agreement with respect to the Notes substantially as set forth in Appendix C, respectively.

On August 30, 2021 the Town filed a material event notice for the failure to file its Annual Financial and Operating Information for the fiscal year ended December 31, 2020 within 6 months as required by its continuing disclosure agreement.

RATING

The Notes are not rated. The Town's outstanding bonds is rated "Aa3" by Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. The rating reflect only the view of the rating agency and any desired explanation of the significance of such rating should be obtained from Moody's. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Notes or the availability of a secondary market for such Notes.

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 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 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 or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

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 Notes.

Bond counsel has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness of fairness thereof, and, accordingly expresses no opinion with respect thereto.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Town which delegates to the Town Supervisor the power to sell and issue the Notes.

TOWN OF NEW PALTZ, NEW YORK

By: s/s NEIL BETTEZ
Town Supervisor and Chief Fiscal Officer

September , 2022

APPENDIX A

FINANCIAL INFORMATION

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

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 6,006,787	\$ 6,651,967	\$ 7,035,382	\$ 7,401,492	\$ 7,730,409
Other Tax Items	189,507	166,390	182,616	188,799	195,575
Non Property Tax Items	239,756	248,721	256,883	261,818	626,340
Departmental Income	258,489	297,703	335,042	197,130	268,820
Intergovernmental Changes	2,340				
Use of Money and Property	16,370	31,081	70,361	39,925	22,037
Licenses and Permits	3,385	4,598	4,490	5,278	5,172
Fines & Forfeitures	306,101	336,735	345,493	204,524	216,022
Sale of Property/Compensation for Loss	56,061	37,761	98,945	44,424	53,588
Misc. Local Sources	205,417	505,660	341,325	385,326	442,360
State Aid	275,229	472,416	302,532	265,781	482,373
Federal Aid	3,194			15,000	5,000
Total Revenues	<u>7,562,636</u>	<u>8,753,032</u>	<u>8,973,069</u>	<u>9,009,497</u>	<u>10,047,696</u>
Expenditures:					
General Government Support	1,376,403	1,395,197	1,367,734	1,372,365	1,383,479
Public Safety	2,565,242	2,772,839	2,830,171	2,821,999	2,474,384
Health	222,216	229,156	236,610	315,460	325,997
Transportation	81,221	73,701	74,593	58,028	82,376
Economic Assistance	53,706	44,468	33,979	30,450	30,667
Culture and Recreation	418,146	483,189	538,896	477,350	546,298
Home and Community Services	252,574	304,156	337,736	280,174	251,932
Employee Benefits	2,674,803	2,848,768	2,888,977	2,781,165	2,796,987
Debt Service	138,163	136,135	144,615	150,822	376,821
Total Expenditures	<u>7,782,474</u>	<u>8,287,609</u>	<u>8,453,311</u>	<u>8,287,813</u>	<u>8,268,941</u>
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt					
Operating Transfers In			1,803		
Operating Transfers Out			(11,390)		
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(9,587)</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(219,838)	465,423	510,171	721,684	1,778,755
Fund Balance Adjustments	(2,280)	(3,765)			
Fund Balance Beginning of Year	<u>1,402,131</u>	<u>1,180,013</u>	<u>1,641,671</u>	<u>2,151,842</u>	<u>2,873,526</u>
Prior Period Adjustment					12,907
Fund Balance End of Year	<u>\$ 1,180,013</u>	<u>\$ 1,641,671</u>	<u>\$ 2,151,842</u>	<u>\$ 2,873,526</u>	<u>\$ 4,665,188</u>

Sources: Audited Annual Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

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

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 1,740,195	\$ 1,321,785	\$ 1,368,055	\$ 1,740,158	\$ 1,612,525
Use of Money and Property	727	4,994	9,683	3,532	868
Licenses and Permits	450	300	750	900	1,500
Sale of Property/Compensation for Loss	20,793	3,632	24,991	12,795	55,245
Misc. Local Sources	22,103	23,087	28,493	31,040	35,844
Interfund Revenues	403			9,198	
State Aid	149,351	29,387	56,089	352,778	315,670
Federal Aid	20,748				60,041
Total Revenues	<u>1,954,770</u>	<u>1,383,185</u>	<u>1,488,061</u>	<u>2,150,401</u>	<u>2,081,693</u>
Expenditures:					
General Government Support	25,698	28,730	32,310	37,164	36,377
Transportation	1,215,114	874,022	968,085	1,308,704	1,450,787
Employee Benefits	440,374	431,907	463,599	471,908	489,924
Debt Service	64,204	66,728	103,400	44,702	41,153
Capital Outlay					
Total Expenditures	<u>1,745,390</u>	<u>1,401,387</u>	<u>1,567,394</u>	<u>1,862,478</u>	<u>2,018,241</u>
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt					
Operating Transfers In					
Operating Transfers Out					
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	209,380	(18,202)	(79,333)	287,923	63,452
Fund Balance Adjustments		3,765			
Fund Balance Beginning of Year	<u>361,489</u>	<u>570,869</u>	<u>556,432</u>	<u>477,099</u>	<u>765,022</u>
Fund Balance End of Year	<u>\$ 570,869</u>	<u>\$ 556,432</u>	<u>\$ 477,099</u>	<u>\$ 765,022</u>	<u>\$ 828,474</u>

Sources: Audited Annual Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

BALANCE SHEET - GENERAL & MAJOR TOWN FUNDS

	Fiscal Year Ending December 31, 2021			
	General Fund <u>Town-Wide</u>	Highway Fund <u>Part-Town</u>	Capital Projects Fund	Non-Major* <u>Fund</u>
Assets:				
Cash	\$ 4,269,871	\$ 505,715	\$ 9,223,451	\$ 2,276,297
Cash and Cash equivalents- Restricted	487,446	13,062	175,045	28,728
Other Receivables	18,670	5,657		127,081
Due from Other Funds	80,613	840	960	20,358
Due from Other Governments	530,457			191
Prepaid Expenses	177,346	22,603		79,648
State and Federal Aid Receivables	<u>17,004</u>	<u>315,671</u>	<u>1,954,828</u>	<u>18,854</u>
Total Assets	<u>5,581,407</u>	<u>863,548</u>	<u>11,354,284</u>	<u>2,551,157</u>
Liabilities :				
Accounts Payable	61,251	10,573	181,022	15,092
Accrued Liabilities	158,951	24,501		10,085
Notes Payable			10,653,640	
Other Deposits				125,839
Due to Other Funds	1,800			60,971
Due to Other Governments	33,118			89,677
Deferred Revenues	365,500			
Other Liabilities	<u>295,599</u>			
Total Liabilities	<u>916,219</u>	<u>35,074</u>	<u>10,834,662</u>	<u>301,664</u>
Fund Equity:				
Fund Balance:				
Nonspendable	177,346	22,603		79,648
Restricted	544,490	13,062		28,728
Assigned		792,809	479,622	2,178,308
Unassigned	3,943,352			<u>(37,191)</u>
Total Fund Equity	<u>4,665,188</u>	<u>828,474</u>	<u>479,622</u>	<u>2,249,493</u>
Total Liabilities and Fund Equity	\$ <u>5,581,407</u>	\$ <u>863,548</u>	\$ <u>11,314,284</u>	\$ <u>2,551,157</u>

Sources: Audited Annual Financial Report (2021)

* Includes General Fund - Town Outside, Highway Fund - Town Wide, Drainage Fund, Fire Fund, and Water Fund.

NOTE: This Schedule NOT audited

BALANCE SHEET - GENERAL & MAJOR TOWN FUNDS

	Fiscal Year Ending December 31, 2020			
	General Fund <u>Town-Wide</u>	Highway Fund <u>Part-Town</u>	Capital Projects Fund	Non-Major* Fund
Assets:				
Cash	\$ 2,673,474	\$ 423,642	\$ 460,582	\$ 1,779,653
Cash and Cash equivalents- Restricted	235,885	83,458	6,476,501	20,322
Other Receivables	22,215	4,262		191,240
Due from Other Funds	347,322	6,248	61,000	98,056
Due from Other Governments	31,432		146,154	
Prepaid Expenses	261,189	36,510		82,620
State and Federal Aid Receivables	320,222	303,206		6,632
	<u>3,891,739</u>	<u>857,326</u>	<u>7,144,237</u>	<u>2,178,523</u>
Total Assets				
	<u>3,891,739</u>	<u>857,326</u>	<u>7,144,237</u>	<u>2,178,523</u>
Liabilities:				
Accounts Payable	108,816	70,970	53,258	28,690
Accrued Liabilities	473,906	21,334		10,577
Due to Other Funds	3,652		316,613	137,617
Due to Other Governments	42,791			87,505
Deferred Revenues				
Notes Payable			873,000	
Other	389,048			41,767
	<u>1,018,213</u>	<u>92,304</u>	<u>1,242,871</u>	<u>306,156</u>
Total Liabilities				
	<u>1,018,213</u>	<u>92,304</u>	<u>1,242,871</u>	<u>306,156</u>
Fund Equity:				
Fund Balance:				
Nonspendable	320,222	36,510		82,620
Restricted	235,885	83,458	6,423,260	20,322
Assigned		645,054	209,473	1,812,992
Unassigned	2,317,419		(731,367)	(43,567)
	<u>2,873,526</u>	<u>765,022</u>	<u>5,901,366</u>	<u>1,872,367</u>
Total Fund Equity				
	<u>2,873,526</u>	<u>765,022</u>	<u>5,901,366</u>	<u>1,872,367</u>
Total Liabilities and Fund Equity	\$ <u>3,891,739</u>	\$ <u>857,326</u>	\$ <u>7,144,237</u>	\$ <u>2,178,523</u>

Sources: Audited Annual Financial Report of the Town (2020)

* 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, 2022

		Less Estimated <u>Revenues</u>	Less Unexpected <u>Balance</u>	Amount To Be Raised <u>By Tax</u>
	<u>Appropriations</u>			
General Fund - Townwide	\$ 9,714,596	\$ 1,581,017	\$	\$ 8,133,579
General Fund - Town- Outside Village	520,725	286,026	234,699	
Highway Fund-Townwide	180,153	8,563		171,590
Highway Fund-Outside Village	1,983,256	152,663	45,500	1,785,093
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts				
Totals	\$ <u>12,398,730</u>	\$ <u>2,028,269</u>	\$ <u>280,199</u>	\$ <u>10,090,262</u>

Source: Adopted Budget of the Town of New Paltz

Budget Summaries

Fiscal Year Ending December 31, 2021

		Less Estimated <u>Revenues</u>	Less Unexpected <u>Balance</u>	Amount To Be Raised <u>By Tax</u>
	<u>Appropriations</u>			
General Fund - Townwide	\$ 9,019,997	\$ 1,289,588	\$	\$ 7,730,409
General Fund - Town- Outside Village	392,018	205,114		186,904
Highway Fund-Townwide	168,578	7,886	31,800	160,692
Highway Fund-Outside Village	1,770,507	126,182		1,612,525
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts	<u>774,052</u>	<u>304,274</u>		<u>469,778</u>
Totals	\$ <u>12,125,152</u>	\$ <u>1,933,044</u>	\$ <u>31,800</u>	\$ <u>10,160,308</u>

Source: Adopted Budget of the Town of New Paltz

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

TOWN OF NEW PALTZ, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2021

TOWN OF NEW PALTZ, NEW YORK
DECEMBER 31, 2021
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INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Paltz, New York, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 5 through 10 and 48 through 53, 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.

Supplementary Information

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.

Other Matters

The prior year summarized comparative information has been derived from the Town's December 31, 2020 financial statements and, in our report dated June 9, 2021, we expressed an unmodified opinion on the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of New Paltz, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
May 5, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Town of New Paltz

Year Ended December 31, 2021

Town of New Paltz

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2021. 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 2021 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	\$ 10,175,465	63%	76%
State And Federal Aid	1,212,720	6%	6%
Water And Sewer Charges	591,326	4%	5%

- The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
General Government Support	\$ 2,493,177	19%	17%
Public Safety	5,787,022	44%	45%
Transportation	2,204,837	17%	18%
Culture And Recreation	1,080,263	8%	7%
Home And Community Services	1,038,222	8%	8%

- Total Net Position was \$(28,544,595) at December 31, 2021, up \$2,829,459 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	\$ 7,730,409	77%	82%
Departmental Income	268,821	3%	2%
Fines And Forfeitures	216,022	2%	2%
Miscellaneous Local Sources	442,366	4%	4%
State And Federal Aid	487,373	5%	3%
General Government Support	1,383,478	17%	17%
Public Safety	2,474,384	30%	34%
Employee Benefits	2,796,987	34%	34%

- The General Fund – Town-Wide fund balance increased from \$2,886,433 at December 31, 2020 to \$4,665,188 at December 31, 2021. Of the total fund balance, \$0 was appropriated towards the subsequent year’s budget, \$544,490 was restricted for future expenditures and \$177,346 was in non-spendable form, leaving \$3,943,352 as unassigned.
- The Highway Fund – Part-Town had tax revenues of \$1,612,525 and State Aid of \$315,671, which accounted for 77% and 15% of total revenues, respectively.
- Capital Projects Fund expenditures consisted mainly of Building Improvements (\$5,328,764), DEP Water Expansion (\$1,850,198), Bridge Project (\$248,038) and Pedestrian Access Improvements (\$203,418).

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>2021</u>	<u>2020</u>
NET POSITION		
Current Assets	\$ 20,247,625	\$ 13,615,640
Capital Assets, net	<u>12,945,502</u>	<u>5,735,172</u>
Total Assets	<u>33,193,127</u>	<u>19,350,812</u>
Pensions	5,030,058	3,754,323
OPEB Liability	<u>8,484,456</u>	<u>8,564,562</u>
Total Deferred Outflows of Resources	<u>13,514,514</u>	<u>12,318,885</u>
Current Liabilities	12,123,558	2,279,145
Long-Term Liabilities	<u>51,723,216</u>	<u>55,768,796</u>
Total Liabilities	<u>63,846,774</u>	<u>58,047,914</u>

	<u>2021</u>	<u>2020</u>
Pensions	\$ 5,845,767	\$ 469,733
OPEB Liability	<u>5,559,695</u>	<u>4,544,880</u>
Total Deferred Inflow of Resources	<u>11,405,462</u>	<u>5,014,613</u>
Net Investment In Capital Assets	5,511,029	3,511,608
Restricted	586,280	339,665
Unrestricted	<u>(34,641,904)</u>	<u>(35,244,130)</u>
Total Net Position	<u>\$ (28,544,595)</u>	<u>\$ (31,392,857)</u>
REVENUES		
Real Property Taxes	\$ 10,175,465	\$ 10,004,242
Other Tax Items	195,575	188,799
Non-Property Tax Items	708,974	347,554
Charges For Services	1,535,343	1,439,982
Grants and Contributions	2,552,312	632,485
Investment Earnings	15,447	32,336
Sale Of Property And Compensation For Loss	62,204	22,583
Premium on Obligations	97,664	-
Miscellaneous Local Sources	340,249	297,466
State Sources	<u>418,343</u>	<u>244,330</u>
Total Revenues	<u>16,101,576</u>	<u>13,209,777</u>
EXPENDITURES		
General Government Support	2,493,177	2,447,035
Public Safety	5,787,022	6,457,949
Health	417,351	402,739
Transportation	2,204,837	2,593,116
Economic Assistance And Opportunity	30,667	30,450
Culture And Recreation	1,080,263	1,017,643
Home And Community Service	1,038,222	1,130,936
Debt Service	<u>220,578</u>	<u>115,700</u>
Total Expenditures	<u>13,272,117</u>	<u>14,195,568</u>
CHANGE IN NET POSITION	<u>\$ 2,829,459</u>	<u>\$ (985,791)</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$16,227,776 and expenditures of \$19,436,083, this resulted in a decrease in fund balance of \$3,208,307.

	<u>2021 Fund Balance</u>	<u>2020 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund – Town-Wide	\$ 4,665,188	\$ 2,886,433	\$ 1,778,755
Highway Fund – Part-Town	828,474	765,022	63,452
Capital Projects Fund	479,622	5,901,366	(5,421,744)
Non-Major Funds	<u>2,249,493</u>	<u>1,878,263</u>	<u>371,230</u>
Total Governmental	<u>\$ 8,222,777</u>	<u>\$ 11,431,084</u>	<u>\$ (3,208,307)</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 48. 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 54 of the financial statements.

Debt

As of December 31, 2021, the Town had \$8,082,850 in bonds payable, \$37,190 in installment purchase debt and \$10,653,640 in bond anticipation notes payable. The Town paid \$223,990 in interest throughout the year.

Capital Assets

The Town had capital assets of \$12,945,502, net of \$4,809,987 in accumulated depreciation, as of December 31, 2021. Depreciation expense for the year ended December 31, 2021 was \$561,445.

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>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash	\$ 7,226,928	\$ 5,337,351
Cash - Restricted	9,752,687	6,816,166
Accounts Receivable	66,165	70,232
Rents Receivable	85,243	147,485
Due From Other Funds	-	56,441
Due From State and Federal	587,027	487,424
Due From Other Governments	2,249,978	261,189
Prepaid Expenditures	<u>279,597</u>	<u>439,352</u>
Total Current Assets	<u>20,247,625</u>	<u>13,615,640</u>
Non-Current Assets:		
Capital Assets, net	<u>12,945,502</u>	<u>5,735,172</u>
Total Non-Current Assets	<u>12,945,502</u>	<u>5,735,172</u>
TOTAL ASSETS	<u>33,193,127</u>	<u>19,350,812</u>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Liability	8,484,456	8,564,562
Pensions	<u>5,030,058</u>	<u>3,754,323</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,514,514</u>	<u>12,318,885</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	267,938	261,734
Accrued Liabilities	292,247	581,603
BAN Payable	10,653,640	873,000
Due To Other Governments	122,795	130,296
Due To Other Funds	-	1,697
Escrow Deposits	125,839	56,815
Other Liabilities	295,599	-
Unearned Revenues	<u>365,500</u>	<u>374,000</u>
Total Current Liabilities	<u>12,123,558</u>	<u>2,279,145</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Non-Current Liabilities		
Due Within One Year:		
Serial Bonds	\$ 359,500	\$ 149,500
Unamortized Bond Premium	26,336	26,336
Installment Purchase Debt	14,971	27,501
Total OPEB Liability	925,000	725,000
Due Beyond One Year:		
Serial Bonds	7,723,350	8,082,850
Unamortized Bond Premium	467,464	493,800
Installment Purchase Debt	22,219	36,323
Compensated Absences	827,029	794,041
Judgments and Claims	22,885	169,551
Total OPEB Liability	40,402,820	39,991,232
Net Pension Liability	<u>931,642</u>	<u>5,272,662</u>
Total Non-Current Liabilities	<u>51,723,216</u>	<u>55,768,796</u>
TOTAL LIABILITIES	<u>63,846,774</u>	<u>58,047,941</u>
DEFERRED INFLOWS OF RESOURCES		
OPEB Liability	5,559,695	4,544,880
Pensions	<u>5,845,767</u>	<u>469,733</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,405,462</u>	<u>5,014,613</u>
NET POSITION		
Net Investment in Capital Assets	5,511,029	3,511,608
Restricted	586,280	339,665
Unrestricted	<u>(34,641,904)</u>	<u>(35,244,130)</u>
TOTAL NET POSITION	<u>\$ (28,544,595)</u>	<u>\$ (31,392,857)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>2021</u>	<u>2020</u>
FUNCTIONS/PROGRAMS						
General Government Support	\$ 2,493,177	\$ 412,563	\$ 53,939	\$ 9,643	\$ (2,017,032)	\$ (2,071,036)
Public Safety	5,787,022	210,880	8,411	-	(5,567,731)	(6,245,723)
Health	417,351	-	5,000	-	(412,351)	(402,739)
Transportation	2,204,837	1,500	375,711	284,903	(1,542,723)	(2,239,438)
Economic Assistance and Opportunity	30,667	-	-	-	(30,667)	(30,450)
Culture and Recreation	1,080,263	157,550	9,120	20,546	(893,047)	(781,374)
Home and Community Services	1,038,222	752,850	65,138	1,719,901	1,499,667	(236,641)
Debt Service	<u>220,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(220,578)</u>	<u>(115,700)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>13,272,117</u>	<u>1,535,343</u>	<u>517,319</u>	<u>2,034,993</u>	<u>(9,184,462)</u>	<u>(12,123,101)</u>
GENERAL REVENUES						
Real Property Tax					10,175,465	10,004,242
Other Tax Items					195,575	188,799
Non-Property Tax Items					708,974	347,554
Investment Earnings					15,447	32,336
Sale Of Property and Compensation For Loss					62,204	22,583
Premium on Obligations					97,664	-
Miscellaneous Local Sources					340,249	297,466
State Aid					<u>418,343</u>	<u>244,330</u>
TOTAL GENERAL REVENUES					<u>12,013,921</u>	<u>11,137,310</u>
CHANGE IN NET POSITION					2,829,459	(985,791)
TOTAL NET POSITION-						
Beginning of Year (Restated)					<u>(31,374,054)</u>	<u>(30,407,066)</u>
TOTAL NET POSITION-						
End of Year					<u>\$ (28,544,595)</u>	<u>\$ (31,392,857)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	GENERAL FUND TOWN-WIDE	HIGHWAY FUND PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2020 TOTALS
ASSETS						
Cash	\$ 4,269,871	\$ 505,715	\$ 175,045	\$ 2,276,297	\$ 7,226,928	\$ 5,337,351
Cash - Restricted	487,446	13,062	9,223,451	28,728	9,752,687	6,816,166
Accounts Receivable	18,670	5,657	-	41,838	66,165	70,232
Rents Receivable	-	-	-	85,243	85,243	147,485
Due From Other Funds	80,613	840	960	20,358	102,771	512,626
Due From State and Federal	17,004	315,671	235,498	18,854	587,027	487,424
Due From Other Governments	530,457	-	1,719,330	191	2,249,978	261,189
Prepaid Expenditures	177,346	22,603	-	79,648	279,597	439,352
TOTAL ASSETS	\$ 5,581,407	\$ 863,548	\$ 11,354,284	\$ 2,551,157	\$ 20,350,396	\$ 14,071,825
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 61,251	\$ 10,573	\$ 181,022	\$ 15,092	\$ 267,938	\$ 261,734
Accrued Liabilities	158,951	24,501	-	10,085	193,537	505,817
Due To Other Funds	1,800	-	40,000	60,971	102,771	457,882
Due To Other Governments	33,118	-	-	89,677	122,795	130,296
BAN's Payable	-	-	10,653,640	-	10,653,640	873,000
Escrow Deposits	-	-	-	125,839	125,839	56,815
Other Liabilities	295,599	-	-	-	295,599	-
Unearned Revenues	365,500	-	-	-	365,500	374,000
TOTAL LIABILITIES	916,219	35,074	10,874,662	301,664	12,127,619	2,659,544
FUND BALANCES						
Non-spendable:						
Prepaid Items	177,346	22,603	-	79,648	279,597	439,352
Restricted:						
Capital Reserve	22,830	13,062	-	28,728	64,620	124,101
Police Seized Asset	198,821	-	-	-	198,821	201,184
Police Computer	14,584	-	-	-	14,584	13,580
Community Preservation	307,455	-	-	-	307,455	-
Bench Repair	800	-	-	-	800	800
Capital Projects	-	-	1,116,214	-	1,116,214	6,423,260
Assigned:						
Appropriated	-	45,500	-	234,699	280,199	31,800
Unappropriated	-	747,309	160,423	1,943,609	2,851,341	2,635,719
Unassigned	3,943,352	-	(797,015)	(37,191)	3,109,146	1,542,485
TOTAL FUND BALANCES	4,665,188	828,474	479,622	2,249,493	8,222,777	11,412,281
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,581,407	\$ 863,548	\$ 11,354,284	\$ 2,551,157	\$ 20,350,396	\$ 14,071,825

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, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Total Fund Balance – Governmental Funds	\$ 8,222,777	\$ 11,412,281
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, 2021 was:		
	12,945,502	5,735,172
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Installment Purchase Debt	(37,190)	
Serial Bonds	(8,082,850)	
Unamortized Bond Premium	(493,800)	
Compensated Absences	(827,029)	
Judgments And Claims	<u>(22,885)</u>	(9,779,902)
	(9,463,754)	
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	5,030,058	
Net Pension Liability	(931,642)	
Deferred Inflows of Resources	<u>(5,845,767)</u>	(1,988,072)
	(1,747,351)	
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	8,484,456	
Total OPEB Liability	(41,327,820)	
Deferred Inflows of Resources	<u>(5,559,695)</u>	(36,696,550)
	(38,403,059)	
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>(98,710)</u>	<u>(75,786)</u>
Net Position of Governmental Activities	<u><u>\$(28,544,595)</u></u>	<u><u>\$ (31,392,857)</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	GENERAL FUND TOWN-WIDE	HIGHWAY FUND PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2020 TOTALS
REVENUES						
Real Property Taxes	\$ 7,730,409	\$ 1,612,525	\$ -	\$ 832,531	\$ 10,175,465	\$ 10,004,242
Other Tax Items	195,575	-	-	-	195,575	188,799
Non-Property Tax Items	626,340	-	-	82,634	708,974	347,554
Departmental Income	268,821	-	-	662,455	931,276	898,557
Use of Money and Property	22,038	868	8,102	1,742	32,750	59,186
Licenses and Permits	5,172	1,500	-	152,968	159,640	120,096
Fines and Forfeitures	216,022	-	-	-	216,022	204,524
Sale of Property and Compensation						
For Loss	53,580	55,245	-	25	108,850	57,219
Miscellaneous Local Sources	442,366	35,844	1,777,773	22,497	2,278,480	540,957
Interfund Revenues	-	-	-	-	-	9,198
State Aid	482,373	315,671	139,989	54,519	992,552	627,489
Federal Aid	5,000	60,040	155,128	-	220,168	161,154
TOTAL REVENUES	10,047,696	2,081,693	2,080,992	1,809,371	16,019,752	13,218,975
EXPENDITURES						
General Government Support	1,383,478	36,377	-	89,259	1,509,114	1,455,675
Public Safety	2,474,384	-	-	515,734	2,990,118	3,319,353
Health	325,997	-	-	-	325,997	315,460
Transportation	82,376	1,450,786	-	93,698	1,626,860	1,463,028
Economic Assistance and Opportunity	30,667	-	-	-	30,667	30,450
Culture and Recreation	546,298	-	-	11,045	557,343	488,973
Home and Community Services	251,933	-	-	545,823	797,756	834,464
Employee Benefits	2,796,987	489,925	-	142,461	3,429,373	3,403,065
Debt Service:						
Principal	212,434	38,560	-	35,500	286,494	206,703
Interest	164,387	2,593	52,389	4,621	223,990	73,651
Capital Outlay	-	-	7,658,371	-	7,658,371	864,662
TOTAL EXPENDITURES	8,268,941	2,018,241	7,710,760	1,438,141	19,436,083	12,455,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,778,755	63,452	(5,629,768)	371,230	(3,416,331)	763,491
OTHER FINANCING SOURCES (USES)						
BANs Redeemed from Appropriations	-	-	110,360	-	110,360	110,360
Operating Transfers In	-	-	-	-	-	9,232
Operating Transfers Out	-	-	-	-	-	(9,232)
Premium on Obligations	-	-	97,664	-	97,664	526,720
Proceeds of Long-Term Debt	-	-	-	-	-	8,053,505
NET CHANGE IN FUND BALANCE	1,778,755	63,452	(5,421,744)	371,230	(3,208,307)	9,454,076
FUND BALANCE- Beginning of Year (Restated)	2,886,433	765,022	5,901,366	1,878,263	11,431,084	1,958,205
FUND BALANCE- End of Year	\$ 4,665,188	\$ 828,474	\$ 479,622	\$ 2,249,493	\$ 8,222,777	\$ 11,412,281

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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (3,208,307)	\$ 9,454,076
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.		
Book Value of Disposed Assets	(15,840)	
Depreciation Expense	(561,445)	
Capital Outlay	<u>7,787,615</u>	7,210,330
		732,967
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	-	
Serial Bonds	<u>-</u>	-
		(8,053,505)
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	149,500	
Installment Purchase Debt	<u>26,634</u>	176,134
		96,344
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	(98,710)	
Prior Year Accrued Interest	<u>75,786</u>	(22,924)
		(48,634)

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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

(Continued)

		<u>2021</u>	<u>2020</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	\$ 106,220		
Employees' Retirement System	<u>134,501</u>	240,721	(931,935)
(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		(1,706,509)	(1,840,670)
Bond premiums are reported in the governmental funds as revenues in the year received. However, in the statement of activities, the premium is added to the outstanding debt and amortized as a reduction of interest expense over the life of the bond.			
Amortization Expense	26,336		
Bond Premium	<u>-</u>	26,336	(520,136)
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	(32,988)		
Judgments And Claims	<u>146,666</u>	<u>113,678</u>	<u>125,702</u>
Change in Net Position of Governmental Activities		<u>\$ 2,829,459</u>	<u>\$ (985,791)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	CUSTODIAL <u>FUND</u>
ASSETS	
Cash	\$ <u>-</u>
TOTAL ASSETS	<u>-</u>
LIABILITIES	
Agency Liabilities	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted For Other Purposes	<u>-</u>
TOTAL NET POSITION	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	CUSTODIAL <u>FUND</u>
ADDITIONS	
Fines Collected For Other Governments	\$ 556,000
Taxes Collected For Other Governments	<u>232,421</u>
TOTAL ADDITIONS	<u>788,421</u>
DEDUCTIONS	
Fines Paid To Other Governments	556,000
Taxes Paid To Other Governments	<u>232,421</u>
TOTAL DEDUCTIONS	<u>788,421</u>
CHANGE IN NET POSITION	-
NET POSITION - Beginning Of Year (Restated)	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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, 2021

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 - used to account for assets held by the government in a trustee or custodial capacity:

Custodial Fund – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, non-spendable fund balances include prepaid expenditures of \$279,597 in the General, Highway and Special District Funds.

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 \$1,702,494 in the General, Highway and Capital Projects Funds as of December 31, 2021.

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, 2021.

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, 2021

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, 2021, the Town implemented the following new standards:

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*

Q. Future Accounting Standards

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

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

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

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

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2023

GASB 96 – *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023.

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No.32*, 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 \$13,514,514 in deferred outflows of resources as of December 31, 2021.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The second item relates to OPEB reporting in the government-wide statement of net position. The Town reports \$11,405,462 in deferred inflows of resources as of December 31, 2021.

The reporting of deferred outflows of resources and deferred inflows of resources resulted in a net increase of \$2,109,052 to unrestricted net position as of December 31, 2021.

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, 2021 was \$22,885.

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balance

The Capital Projects Fund has a deficit unassigned fund balance of \$797,015 at December 31, 2021. 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 \$37,191 as of December 31, 2021. The deficit was funded with loans from other funds and is being addressed through the annual budget process.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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.

3. Long-term debt transaction differences:

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

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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>\$ 15,713,228</u>
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NOTE 5 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2021 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund – Town-Wide	\$ 80,613	\$ 1,800	\$ -	\$ -
General Fund – Town-Outside	-	138	-	-
Highway Fund – Town-Wide	-	1	-	-
Highway Fund – Part-Town	840	-	-	-
Water Fund	15,579	52,890	-	-
Sewer Fund	4,779	7,942	-	-
Capital Projects Fund	<u>960</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>102,771</u>	<u>102,771</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 102,771</u>	<u>\$ 102,771</u>	<u>\$ -</u>	<u>\$ -</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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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)

Long-Term Debt Interest

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

Interest Paid	\$ 215,785
Less: Interest Accrued In Prior Year	(71,939)
Amortization Of Bond Premium	(26,336)
Plus: Interest Accrued In Current Year	<u>73,671</u>
 TOTAL EXPENSE	 <u>\$ 191,181</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2021.

	BALANCE 01/01/21	ADDITIONS	DELETIONS	BALANCE 12/31/21	AMOUNTS DUE WITHIN ONE YEAR
Serial Bonds –					
General Obligations	\$ 8,220,000	\$ -	\$ 145,000	\$ 8,075,000	\$ 355,000
Unamortized Bond					
Premium	520,136	-	26,336	493,800	26,336
Serial Bonds –					
Direct Placements	12,350	-	4,500	7,850	4,500
Installment Purchase Debt –					
Direct Borrowings	63,824	-	26,634	37,190	14,971
Compensated Absences	794,041	32,988	-	827,029	-
Judgments And Claims	169,551	-	146,666	22,885	-
Total OPEB Liability	<u>40,716,232</u>	<u>3,458,180</u>	<u>2,846,592</u>	<u>41,327,820</u>	<u>925,000</u>
	<u>\$ 50,496,134</u>	<u>\$ 3,491,168</u>	<u>\$ 3,195,728</u>	<u>\$ 50,791,574</u>	<u>\$ 1,325,807</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, 2021 is comprised of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 12/31/21</u>
Sewer	6.625%	2023	\$ 4,850
Sewer	6.625%	2023	3,000
Open Space	3.00-3.50%	2024	165,000
Court/Police Building – Acquisition	1.125-5.00%	2040	2,410,000
Court/Police Building - Construction	1.125-5.00%	2040	<u>5,500,000</u>
Total Serial Bonds			<u>8,082,850</u>
Police Vehicle	6.475%	2022	3,757
Police Vehicle	5.472%	2024	<u>33,433</u>
Total Installment Purchase Debt			<u>37,190</u>
TOTAL			<u>\$ 8,120,040</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

The following totals summarize the Town’s future debt service requirements as of December 31, 2021:

<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>
2022	\$ 355,000	\$ 219,944	\$ 19,471	\$ 2,165
2023	370,000	203,157	15,193	1,033
2024	385,000	185,756	10,376	262
2025	345,000	167,330	-	-
2026	365,000	150,082	-	-
2027-2031	2,055,000	519,792	-	-
2032-2036	2,240,000	327,851	-	-
2037-2040	<u>1,960,000</u>	<u>99,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,075,000</u>	<u>\$ 1,872,912</u>	<u>\$ 45,040</u>	<u>\$ 3,460</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, 2021

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>
2021	\$ 342,210	\$ 477,130
2020	329,939	434,310
2019	326,013	412,434

3. Short-Term Debt

Bond Anticipation Notes

The following is a summary of the bond anticipation notes outstanding at December 31, 2021:

<u>DESCRIPTION</u>	<u>INTEREST RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Henry Dubois					
Pedestrian Access	0.37%	\$ -	\$ 560,000	\$ -	\$ 560,000
Sewer Improvements	0.37%	212,500	-	8,500	204,000
Highway Equipment	0.37%	285,600	-	28,560	257,040
Bridge Work	0.37%	80,000	-	10,000	70,000
Water Improvements	0.44%	157,500	-	22,500	135,000
Land Purchase	0.75%	77,400	-	25,800	51,600
Water Improvements	1.50%	-	9,231,000	-	9,231,000
Computer Upgrade	1.08%	60,000	-	15,000	45,000
Moriello Park	0.37%	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
TOTAL		<u>\$ 873,000</u>	<u>\$ 9,891,000</u>	<u>\$ 110,360</u>	<u>\$ 10,653,640</u>

Short-Term Debt Interest

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

Interest Paid	\$ 8,205
Less: Interest Accrued In Prior Year	(3,847)
Plus: Interest Accrued In Current Year	<u>25,039</u>
TOTAL EXPENSE	<u>\$ 29,397</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

COVID - 19

During the 2020 fiscal year, the COVID – 19 pandemic spread quickly around the world, causing significant shutdowns of economic activity through 2020 and 2021. Since the Town's activities are funded mainly by property taxes, in which they are made whole by the County, the shutdowns have not had a major impact on the Town's activities. However, a severe recession may affect the ability of the Town to access State and federal funding at the same levels as before. The long term effects, if any, on future funding is unknown.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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

At December 31, 2021, 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, 2021 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, 2020	April 1, 2020
Net pension asset/(liability)	\$ (9,409)	\$ (922,233)
Town's portion of the Plan's total net pension asset/(liability)	0.0094494%	0.0531156%

For the year ended December 31, 2021, the Town recognized pension expense of \$207,824 for ERS and \$370,939 for PFRS. At December 31, 2021, 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	\$ 114,911	\$ 204,639	\$ -	\$ -
Changes of assumptions	1,730,038	2,265,826	32,629	-
Net difference between projected and actual earnings on pension plan investments	-	-	2,702,860	2,711,771
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	84,352	3,566	84,673	313,834
Town's contributions subsequent to the measurement date	<u>259,585</u>	<u>367,141</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,188,886</u>	<u>\$ 2,841,172</u>	<u>\$ 2,820,162</u>	<u>\$ 3,025,605</u>

Town contributions subsequent to the measurement date of \$259,585 for ERS and \$367,141 for PFRS will be recognized as a reduction of the net pension liability in the year December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

	<u>ERS</u>	<u>PFRS</u>
2022	\$ (169,580)	\$ (218,410)
2023	(60,900)	(97,300)
2024	(147,445)	(146,504)
2025	(512,936)	(518,521)
2026	-	429,161
Thereafter	_____ -	_____ -
TOTAL	<u>\$ (890,861)</u>	<u>\$ (551,574)</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, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Interest rate	5.9%	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2015-March 31, 2020 Systems' experience with adjustments for mortality improvements based on MP-2020. The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

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

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

	<u>ERS/PFRS</u>
Measurement date	March 31, 2021
Asset Type:	
Domestic Equity	4.05%
International Equity	6.30%
Real Estate	4.95%
Fixed Income	0.00%
Cash Equivalents	0.50%
Credit	3.63%
Private Equity	6.75%
Real Assets	5.95%
Opportunistic/ARS Portfolio	4.50%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% 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.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS 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 (4.9%) or 1-percentage point higher (6.9%) than the current rate:

<u>ERS</u>	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ <u>(2,611,614)</u>	\$ <u>(9,409)</u>	\$ <u>2,390,433</u>
<u>PFRS</u>	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ <u>(3,921,853)</u>	\$ <u>(922,233)</u>	\$ <u>1,560,678</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Pension Plan Fiduciary Net Position

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

	<u>ERS (in thousands)</u> April 1, 2020	<u>PFRS (in thousands)</u> April 1, 2020
Valuation date		
Employers' total pension liability	\$ (220,680,157)	\$ (41,236,775)
Plan Net Position	<u>220,580,583</u>	<u>39,500,500</u>
Employer's net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (1,736,275)</u>
Proportion of plan net position to the Employer's total pension asset/(liability)	99.95%	95.79%

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, 2021.

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.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Employees Covered by Benefit Terms – At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	44
Active Employees	<u>58</u>
	<u><u>102</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$41,327,820 was measured as of December 31, 2021, using an actuarial valuation date of January 1, 2021.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2021 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, 2021
Discount Rate	2.25%
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, 2021.

Mortality rates were based on the RP-2006 Mortality Tables with MP-2020 projection.

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at January 1, 2021		\$ 40,716,232
Changes for the Year -		
Service Cost	1,311,573	
Interest	777,071	
Changes of Benefit Terms	-	
Differences between expected and actual experience	1,369,536	
Change in Assumptions	(1,939,636)	
Benefit Payments	<u>(906,956)</u>	
Net Changes		<u>611,588</u>
Balance at December 31, 2021		<u>\$ 41,327,820</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 (1.25%) or 1 – percentage point higher (3.25%) than the current discount rate:

	1% Decrease <u>(1.25%)</u>	Current Assumption <u>(2.25%)</u>	1% Increase <u>(3.25%)</u>
Total OPEB Liability	<u>\$ 47,395,123</u>	<u>\$ 41,327,820</u>	<u>\$ 35,260,516</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate – The following presents the total OPEB liability of the Town, as well as what the 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 <u>(7.0% - 4.0%)</u>	Current Assumption <u>(8.0% - 5.0%)</u>	1% Increase <u>(9.0% - 6.0%)</u>
Total OPEB Liability	<u>\$ 34,159,041</u>	<u>\$ 41,327,820</u>	<u>\$ 49,935,074</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

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

For the year ended December 31, 2021, the Town recognized OPEB expense of \$2,613,465. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,357,945	\$ 3,862,514
Changes of assumptions or other inputs	<u>7,126,511</u>	<u>1,697,181</u>
Total	<u>\$ 8,484,456</u>	<u>\$ 5,559,695</u>

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

2022	\$ 524,821
2023	524,821
2024	524,821
2025	524,822
2026	484,918
Thereafter	<u>340,558</u>
TOTAL	<u>\$ 2,924,761</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 846,511	\$ 1,685,440	\$ -	\$ 2,531,951
Construction In Progress	<u>729,358</u>	<u>368,176</u>	<u>546,666</u>	<u>550,868</u>
Total non-depreciable historical cost	<u>1,575,869</u>	<u>2,053,616</u>	<u>546,666</u>	<u>3,082,819</u>
Capital assets that are depreciated:				
Building and Improvements	3,944,592	6,119,337	39,516	10,024,413
Machinery and Equipment	<u>4,807,941</u>	<u>161,328</u>	<u>321,012</u>	<u>4,648,257</u>
Total depreciable historical cost	<u>8,752,533</u>	<u>6,280,665</u>	<u>360,528</u>	<u>14,672,670</u>
Less accumulated depreciation:				
Building and Improvements	1,411,575	222,723	27,596	1,606,702
Machinery and Equipment	<u>3,181,655</u>	<u>338,722</u>	<u>317,092</u>	<u>3,203,285</u>
Total Accumulated Depreciation	<u>4,593,230</u>	<u>561,445</u>	<u>344,688</u>	<u>4,809,987</u>
Total historical cost, net	<u>\$ 5,735,172</u>	<u>\$ 7,772,836</u>	<u>\$ 562,506</u>	<u>\$ 12,945,502</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 12,063		
Public Safety		237,353		
Transportation		191,220		
Culture & Recreation		68,378		
Home & Community Service		<u>52,431</u>		
		<u>\$ 561,445</u>		

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 12,945,502
Less: Bonds Payable	(8,075,000)
Installment Purchase Debt	(37,190)
Bond Anticipation Notes	(10,199,640)
Plus: Unspent Debt Proceeds	<u>10,877,357</u>
Net Investment In Capital Assets	<u>\$ 5,511,029</u>

TOWN OF NEW PALTZ, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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:

<u>YEAR ENDED</u>	
2022	\$ 45,512
2023	<u>18,672</u>
	<u>\$ 64,184</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, 2021 the Town received \$12,259 in tax abatement payments, which resulted in abated property taxes totaling \$34,890.

NOTE 14 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2021 and May 5, 2022, 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 fund balance in the General A Fund has been increased by \$12,907 for to account for understated income in the previous year, and the beginning fund balance in the General B Fund has been increased by \$5,896 to account for activity previously reported in the Fiduciary Fund. The total restatement of \$18,803 also affects the beginning net position in the statement of activities.

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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
REVENUES					
Real Property Taxes	\$ 7,730,409	\$ 7,730,409	\$ 7,730,409	\$ -	\$ 7,401,492
Other Tax Items	160,000	160,000	195,575	35,575	188,799
Non Property Tax Items	200,000	200,000	626,340	426,340	261,818
Departmental Income	262,710	262,710	268,821	6,111	197,130
Use of Money and Property	8,000	8,000	22,038	14,038	39,925
Licenses and Permits	3,800	10,750	5,172	(5,578)	5,278
Fines and Forfeitures	112,000	112,000	216,022	104,022	204,524
Sale of Property and Compensation For Loss	41,000	41,000	53,580	12,580	44,424
Miscellaneous Local Sources	256,333	307,218	442,366	135,148	385,326
State Aid	241,745	212,562	482,373	269,811	265,781
Federal Aid	4,000	5,000	5,000	-	15,000
TOTAL REVENUES	<u>9,019,997</u>	<u>9,049,649</u>	<u>10,047,696</u>	<u>998,047</u>	<u>9,009,497</u>
EXPENDITURES					
General Government Support	1,723,520	1,582,165	1,383,478	198,687	1,372,365
Public Safety	2,454,044	2,493,317	2,474,384	18,933	2,821,999
Health	325,703	331,649	325,997	5,652	315,460
Transportation	72,250	94,235	82,376	11,859	58,028
Economic Assistance and Opportunity	32,800	32,800	30,667	2,133	30,450
Culture and Recreation	583,907	631,077	546,298	84,779	477,350
Home and Community Services	267,652	289,072	251,933	37,139	280,174
Employee Benefits	3,156,227	3,172,606	2,796,987	375,619	2,781,165
Debt Service:					
Principal	185,800	212,447	212,434	13	132,643
Interest	215,594	218,353	164,387	53,966	18,179
TOTAL EXPENDITURES	<u>9,017,497</u>	<u>9,057,721</u>	<u>8,268,941</u>	<u>788,780</u>	<u>8,287,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,500	(8,072)	1,778,755	1,786,827	721,684
OTHER FINANCING SOURCES (USES)					
Other Budgetary Purposes	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(10,572)	1,778,755	1,789,327	721,684
FUND BALANCE - Beginning of Year (Restated)	<u>-</u>	<u>10,572</u>	<u>2,886,433</u>	<u>2,875,861</u>	<u>2,151,842</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,665,188</u>	<u>\$ 4,665,188</u>	<u>\$ 2,873,526</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
REVENUES					
Real Property Taxes	\$ 1,612,525	\$ 1,612,525	\$ 1,612,525	\$ -	\$ 1,740,158
Use of Money and Property	1,520	1,520	868	(652)	3,532
Licenses and Permits	300	300	1,500	1,200	900
Sale of Property and Compensation For Loss	-	-	55,245	55,245	12,795
Miscellaneous Local Sources	29,697	29,697	35,844	6,147	31,040
Interfund Revenues	-	-	-	-	9,198
State Aid	94,665	315,670	315,671	1	352,778
Federal Aid	-	58,353	60,040	1,687	-
TOTAL REVENUES	<u>1,738,707</u>	<u>2,018,065</u>	<u>2,081,693</u>	<u>63,628</u>	<u>2,150,401</u>
EXPENDITURES					
General Government Support	60,802	61,378	36,377	25,001	37,164
Transportation	1,107,121	1,468,824	1,450,786	18,038	1,308,704
Employee Benefits	548,464	548,929	489,925	59,004	471,908
Debt Service:					
Principal	38,560	38,560	38,560	-	38,560
Interest	2,560	2,594	2,593	1	6,142
TOTAL EXPENDITURES	<u>1,757,507</u>	<u>2,120,285</u>	<u>2,018,241</u>	<u>102,044</u>	<u>1,862,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,800)	(102,220)	63,452	165,672	287,923
OTHER FINANCING SOURCES (USES)					
Other Budgetary Purposes	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(31,800)	(115,220)	63,452	178,672	287,923
FUND BALANCE - Beginning of Year	<u>31,800</u>	<u>115,220</u>	<u>765,022</u>	<u>649,802</u>	<u>477,099</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,474</u>	<u>\$ 828,474</u>	<u>\$ 765,022</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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,311,573	\$ 1,056,983	\$ 972,129	\$ 890,227
Interest	777,071	1,145,181	1,209,652	1,152,134
Changes of Benefit Terms	-	-	-	-
Differences between expected and actual experience	1,369,536	(3,605,484)	(1,853,442)	319,201
Changes in Assumptions	(1,939,636)	7,470,103	2,438,295	-
Benefit payments	<u>(906,956)</u>	<u>(957,578)</u>	<u>(783,627)</u>	<u>(779,154)</u>
Net Changes	611,588	5,109,205	1,983,007	1,582,408
Beginning Total OPEB Liability	<u>40,716,232</u>	<u>35,607,027</u>	<u>33,624,020</u>	<u>32,041,612</u>
Ending Total OPEB Liability	<u>\$ 41,327,820</u>	<u>\$ 40,716,232</u>	<u>\$ 35,607,027</u>	<u>\$ 33,624,020</u>
Covered Employee Payroll	<u>\$ 4,812,170</u>	<u>\$ 3,607,498</u>	<u>\$ 3,560,137</u>	<u>\$ 3,560,137</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	858.82%	1,128.66%	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, 2021

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The changes in the discount rate were as follows:

December 31, 2021 Measurement Date:	2.25%
December 31, 2020 Measurement Date:	1.93%

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, 2021

ERS System – Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0094494%	0.0085914%	0.0090645%	0.0087451%	0.008250%	0.0082586%	0.00865010%
The Town's proportionate share of the net pension liability	\$ 9,409	\$ 2,275,052	\$ 642,250	\$ 282,245	\$ 829,213	\$ 1,325,531	\$ 324,401
The Town's covered employee payroll	2,390,182	2,416,613	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	0.39%	94.14%	27.55%	12.37%	37.98%	66.09%	16.24%
Plan Fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

PFRS System – Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0531156%	0.0560832%	0.0578385%	0.0586000%	0.0664988%	0.0617036%	0.05154460%
The Town's proportionate share of the net pension liability	\$ 922,233	\$ 2,997,610	\$ 969,988	\$ 592,304	\$ 1,378,288	\$ 1,826,913	\$ 207,151
The Town's covered employee payroll	1,800,491	1,878,402	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	51.22%	159.58%	52.71%	33.54%	72.94%	116.73%	9.61%
Plan Fiduciary net position as a percentage of the total pension liability	95.79%	84.86%	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, 2021

ERS System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 342,210	\$ 329,939	\$ 326,013	\$ 319,332	\$ 317,806	\$ 318,413	\$ 335,443	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	<u>342,210</u>	<u>329,939</u>	<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
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	14.32%	13.86%	13.49%	13.70%	13.93%	14.58%	16.73%	N/A	N/A	N/A

PFRS System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 477,130	\$ 434,310	\$ 412,434	\$ 395,796	\$ 394,130	\$ 389,226	\$ 340,167	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	<u>477,130</u>	<u>434,310</u>	<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
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	26.50%	23.00%	21.96%	21.51%	22.32%	20.60%	21.74%	N/A	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	GENERAL TOWN-OUTSIDE	HIGHWAY TOWN-WIDE	WATER	SEWER	COMMUNITY DEVELOPMENT	DRAINAGE	FIRE	MISCELLANEOUS SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS									
Cash	\$ 893,122	\$ 19,737	\$ 481,775	\$ 397,824	\$ 66,425	\$ 102,485	\$ 270,648	\$ 44,281	\$ 2,276,297
Cash - Restricted	28,728	-	-	-	-	-	-	-	28,728
Accounts Receivable	41,838	-	-	-	-	-	-	-	41,838
Rents Receivable	-	-	44,744	40,499	-	-	-	-	85,243
Due From Other Funds	-	-	15,579	4,779	-	-	-	-	20,358
Due From State and Federal	-	-	-	18,854	-	-	-	-	18,854
Due From Other Governments	191	-	-	-	-	-	-	-	191
Prepaid Expenditures	5,070	3,261	371	258	-	-	70,688	-	79,648
TOTAL ASSETS	<u>\$ 968,949</u>	<u>\$ 22,998</u>	<u>\$ 542,469</u>	<u>\$ 462,214</u>	<u>\$ 66,425</u>	<u>\$ 102,485</u>	<u>\$ 341,336</u>	<u>\$ 44,281</u>	<u>\$ 2,551,157</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 3,099	\$ 178	\$ 1,408	\$ 10,407	\$ -	\$ -	\$ -	\$ -	\$ 15,092
Accrued Liabilities	6,163	2,856	541	525	-	-	-	-	10,085
Due To Other Funds	138	1	52,890	7,942	-	-	-	-	60,971
Due To Other Governments	-	-	52,708	36,969	-	-	-	-	89,677
Escrow Deposits	125,839	-	-	-	-	-	-	-	125,839
TOTAL LIABILITIES	<u>135,239</u>	<u>3,035</u>	<u>107,547</u>	<u>55,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,664</u>
FUND BALANCES									
Non-spendable:									
Prepaid Items	5,070	3,261	371	258	-	-	70,688	-	79,648
Restricted:									
Capital Reserve	28,728	-	-	-	-	-	-	-	28,728
Assigned:									
Appropriated	234,699	-	-	-	-	-	-	-	234,699
Unappropriated	565,213	16,702	471,742	406,113	66,425	102,485	270,648	44,281	1,943,609
Unassigned	-	-	(37,191)	-	-	-	-	-	(37,191)
TOTAL FUND BALANCES	<u>833,710</u>	<u>19,963</u>	<u>434,922</u>	<u>406,371</u>	<u>66,425</u>	<u>102,485</u>	<u>341,336</u>	<u>44,281</u>	<u>2,249,493</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 968,949</u>	<u>\$ 22,998</u>	<u>\$ 542,469</u>	<u>\$ 462,214</u>	<u>\$ 66,425</u>	<u>\$ 102,485</u>	<u>\$ 341,336</u>	<u>\$ 44,281</u>	<u>\$ 2,551,157</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	GENERAL TOWN-OUTSIDE	HIGHWAY TOWN-WIDE	WATER	SEWER	COMMUNITY DEVELOPMENT	DRAINAGE	FIRE	MISCELLANEOUS SPECIAL REVENUE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES									
Real Property Taxes	\$ 186,904	\$ 160,692	\$ 27,959	\$ 15,157	\$ -	\$ 7,377	\$ 434,442	\$ -	\$ 832,531
Non-Property Tax Items	82,634	-	-	-	-	-	-	-	82,634
Departmental Income	70,129	-	337,187	254,139	-	-	-	1,000	662,455
Use of Money and Property	524	74	404	277	50	75	300	38	1,742
Licenses and Permits	152,968	-	-	-	-	-	-	-	152,968
Sale of Property and Compensation For Loss	-	-	25	-	-	-	-	-	25
Miscellaneous Local Sources	4,788	9,103	-	-	-	-	5,249	3,357	22,497
State Aid	2,298	-	-	52,221	-	-	-	-	54,519
TOTAL REVENUES	500,245	169,869	365,575	321,794	50	7,452	439,991	4,395	1,809,371
EXPENDITURES									
General Government Support	36,410	-	-	52,849	-	-	-	-	89,259
Public Safety	137,834	-	-	-	-	-	377,900	-	515,734
Transportation	-	93,698	-	-	-	-	-	-	93,698
Culture and Recreation	615	-	-	-	-	-	-	10,430	11,045
Home and Community Services	46,793	-	279,477	219,553	-	-	-	-	545,823
Employee Benefits	64,614	73,271	2,474	2,102	-	-	-	-	142,461
Debt Service:									
Principal	-	-	22,500	13,000	-	-	-	-	35,500
Interest	-	-	2,442	2,179	-	-	-	-	4,621
TOTAL EXPENDITURES	286,266	166,969	306,893	289,683	-	-	377,900	10,430	1,438,141
EXCESS (DEFICIENCY) OF									
REVENUES OVER EXPENDITURES	213,979	2,900	58,682	32,111	50	7,452	62,091	(6,035)	371,230
FUND BALANCE - Beginning of Year (Restated)	619,731	17,063	376,240	374,260	66,375	95,033	279,245	50,316	1,878,263
FUND BALANCE - End of Year	\$ 833,710	\$ 19,963	\$ 434,922	\$ 406,371	\$ 66,425	\$ 102,485	\$ 341,336	\$ 44,281	\$ 2,249,493

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 4,269,871	\$ 2,673,474
Cash - Restricted	487,446	235,885
Accounts Receivable	18,670	22,215
Due From Other Funds	80,613	347,322
Due From State and Federal	17,004	31,432
Due From Other Governments	530,457	261,189
Prepaid Expenditures	<u>177,346</u>	<u>320,222</u>
TOTAL ASSETS	<u>\$ 5,581,407</u>	<u>\$ 3,891,739</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 61,251	\$ 108,816
Accrued Liabilities	158,951	473,906
Due To Other Funds	1,800	3,652
Due To Other Governments	33,118	42,791
Escrow Deposits	-	15,048
Other Liabilities	295,599	-
Unearned Revenues	<u>365,500</u>	<u>374,000</u>
TOTAL LIABILITIES	<u>916,219</u>	<u>1,018,213</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	177,346	320,222
Restricted:		
Vehicle	22,830	20,321
Police Seized Assets	198,821	201,184
Police Computer	14,584	13,580
Community Preservation	307,455	-
Bench Repair	800	800
Assigned:		
Appropriated	-	-
Unassigned	<u>3,943,352</u>	<u>2,317,419</u>
TOTAL FUND BALANCE	<u>4,665,188</u>	<u>2,873,526</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,581,407</u>	<u>\$ 3,891,739</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 893,122	\$ 523,995
Cash - Restricted	28,728	20,322
Accounts Receivable	41,838	43,755
Due From Other Funds	-	80,267
Due From Other Governments	191	-
Prepaid Expenditures	<u>5,070</u>	<u>6,079</u>
 TOTAL ASSETS	 <u>\$ 968,949</u>	 <u>\$ 674,418</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 3,099	\$ 11,337
Accrued Liabilities	6,163	6,503
Due To Other Funds	138	976
Escrow Deposits	<u>125,839</u>	<u>41,767</u>
 TOTAL LIABILITIES	 <u>135,239</u>	 <u>60,583</u>
 FUND BALANCE		
Non-Spendable:		
Prepaid Items	5,070	6,079
Restricted:		
Capital Reserve	28,728	20,322
Assigned:		
Appropriated	234,699	-
Unappropriated	<u>565,213</u>	<u>587,434</u>
 TOTAL FUND BALANCE	 <u>833,710</u>	 <u>613,835</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 968,949</u>	 <u>\$ 674,418</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND - TOWN-OUTSIDE
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
REVENUES				
Real Property Taxes	\$ 186,904	\$ 186,904	\$ -	\$ 274,779
Non-Property Tax Items	82,000	82,634	634	85,736
Departmental Income	58,150	70,129	11,979	45,780
Use of Money and Property	620	524	(96)	1,952
Licenses and Permits	60,500	152,968	92,468	113,918
Miscellaneous Local Sources	3,844	4,788	944	6,534
State Aid	-	2,298	2,298	2,298
TOTAL REVENUES	392,018	500,245	108,227	530,997
EXPENDITURES				
General Government Support	79,704	36,410	43,294	37,316
Public Safety	149,693	137,834	11,859	126,031
Culture and Recreation	6,560	615	5,945	231
Home and Community Services	70,065	46,793	23,272	63,116
Employee Benefits	83,496	64,614	18,882	75,731
TOTAL EXPENDITURES	389,518	286,266	103,252	302,425
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,500	213,979	211,479	228,572
OTHER FINANCING SOURCES (USES)				
Other Budgetary Purposes	(2,500)	-	2,500	-
NET CHANGE IN FUND BALANCE	-	213,979	213,979	228,572
FUND BALANCE - Beginning of Year (Restated)	-	619,731	619,731	385,263
FUND BALANCE - End of Year	\$ 2,500	\$ 833,710	\$ 831,210	\$ 613,835

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 66,425	\$ 66,375
TOTAL ASSETS	<u>\$ 66,425</u>	<u>\$ 66,375</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due To Other Funds	-	-
TOTAL LIABILITIES	-	-
FUND BALANCE		
Assigned:		
Unappropriated	66,425	66,375
TOTAL FUND BALANCE	66,425	66,375
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 66,425</u>	<u>\$ 66,375</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>2021</u>	<u>2020</u>
REVENUES		
Use of Money and Property	\$ <u>50</u>	\$ <u>165</u>
TOTAL REVENUES	<u>50</u>	<u>165</u>
EXPENDITURES		
General Government Support	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50	165
FUND BALANCE - Beginning of Year	<u>66,375</u>	<u>66,210</u>
FUND BALANCE - End of Year	<u><u>\$ 66,425</u></u>	<u><u>\$ 66,375</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 19,737	\$ 28,534
Due From Other Funds	-	26
Prepaid Expenditures	<u>3,261</u>	<u>2,963</u>
 TOTAL ASSETS	 <u>\$ 22,998</u>	 <u>\$ 31,523</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 178	\$ 374
Accrued Liabilities	2,856	3,186
Due To Other Funds	<u>1</u>	<u>10,900</u>
 TOTAL LIABILITIES	 <u>3,035</u>	 <u>14,460</u>
 FUND BALANCE		
Non-Spendable:		
Prepaid Items	3,261	2,963
Assigned:		
Unappropriated	<u>16,702</u>	<u>14,100</u>
 TOTAL FUND BALANCE	 <u>19,963</u>	 <u>17,063</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 22,998</u>	 <u>\$ 31,523</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2020
REVENUES				
Real Property Taxes	\$ 160,692	\$ 160,692	\$ -	\$ 155,917
Use of Money and Property	140	74	(66)	285
Miscellaneous Local Sources	7,746	9,103	1,357	8,683
TOTAL REVENUES	168,578	169,869	1,291	164,885
EXPENDITURES				
Transportation	94,472	93,698	774	96,296
Employee Benefits	74,106	73,271	835	69,160
TOTAL EXPENDITURES	168,578	166,969	1,609	165,456
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,900	2,900	(571)
FUND BALANCE - Beginning of Year	-	17,063	17,063	17,634
FUND BALANCE - End of Year	\$ -	\$ 19,963	\$ 19,963	\$ 17,063

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 505,715	\$ 423,642
Cash - Restricted	13,062	83,458
Accounts Receivable	5,657	4,262
Due From Other Funds	840	6,248
Due From State and Federal	315,671	303,206
Prepaid Expenditures	<u>22,603</u>	<u>36,510</u>
 TOTAL ASSETS	 <u>\$ 863,548</u>	 <u>\$ 857,326</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 10,573	\$ 70,970
Accrued Liabilities	<u>24,501</u>	<u>21,334</u>
 TOTAL LIABILITIES	 <u>35,074</u>	 <u>92,304</u>
 FUND BALANCE		
Non-Spendable:		
Prepaid Items	22,603	36,510
Restricted:		
Capital Reserve	13,062	83,458
Assigned:		
Appropriated	45,500	31,800
Unappropriated	<u>747,309</u>	<u>613,254</u>
 TOTAL FUND BALANCE	 <u>828,474</u>	 <u>765,022</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 863,548</u>	 <u>\$ 857,326</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
WATER FUND
COMBING BALANCE SHEET
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>WATER 1</u>	<u>WATER 2</u>	<u>WATER 3</u>	<u>WATER 4</u>	<u>TOTAL</u>	<u>2020 TOTAL</u>
ASSETS						
Cash	\$ 351,891	\$ 123,005	\$ 983	\$ 5,896	\$ 481,775	\$ 401,884
Water Rents Receivable	36,595	4,684	523	2,942	44,744	72,169
Due From Other Funds	10,190	2,925	-	2,464	15,579	15,800
Prepaid Expenditures	<u>296</u>	<u>25</u>	<u>6</u>	<u>44</u>	<u>371</u>	<u>453</u>
TOTAL ASSETS	<u>\$ 398,972</u>	<u>\$ 130,639</u>	<u>\$ 1,512</u>	<u>\$ 11,346</u>	<u>\$ 542,469</u>	<u>\$ 490,306</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 1,158	\$ 159	\$ 18	\$ 73	\$ 1,408	\$ 2,418
Accrued Liabilities	434	38	7	62	541	483
Due To Other Funds	6,863	178	38,003	7,846	52,890	60,045
Due To Other Governments	<u>38,117</u>	<u>11,726</u>	<u>669</u>	<u>2,196</u>	<u>52,708</u>	<u>51,120</u>
TOTAL LIABILITIES	<u>46,572</u>	<u>12,101</u>	<u>38,697</u>	<u>10,177</u>	<u>107,547</u>	<u>114,066</u>
FUND BALANCE						
Non-Spendable:						
Prepaid Items	296	25	6	44	371	453
Assigned	352,104	118,513	-	1,125	471,742	419,354
Unassigned	<u>-</u>	<u>-</u>	<u>(37,191)</u>	<u>-</u>	<u>(37,191)</u>	<u>(43,567)</u>
TOTAL FUND BALANCE	<u>352,400</u>	<u>118,538</u>	<u>(37,185)</u>	<u>1,169</u>	<u>434,922</u>	<u>376,240</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 398,972</u>	<u>\$ 130,639</u>	<u>\$ 1,512</u>	<u>\$ 11,346</u>	<u>\$ 542,469</u>	<u>\$ 490,306</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 19,385	\$ 19,385	\$ -	\$ 23,349
Departmental Income	211,254	236,432	25,178	272,167
Use of Money and Property	-	339	339	1,196
Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>230,639</u>	<u>256,156</u>	<u>25,517</u>	<u>296,712</u>
EXPENDITURES				
General Government Support	-	-	-	631
Home and Community Services	223,421	213,844	9,577	200,205
Employee Benefits	2,833	1,977	856	2,398
Debt Service:				
Principal	17,550	17,550	-	17,550
Interest	<u>1,835</u>	<u>1,820</u>	<u>15</u>	<u>5,782</u>
TOTAL EXPENDITURES	<u>245,639</u>	<u>235,191</u>	<u>10,448</u>	<u>226,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,000)	20,965	35,965	70,146
FUND BALANCE - Beginning of Year	<u>15,000</u>	<u>331,435</u>	<u>316,435</u>	<u>261,289</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 352,400</u>	<u>\$ 352,400</u>	<u>\$ 331,435</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 4,224	\$ 4,224	\$ -	\$ 5,089
Departmental Income	68,223	79,701	11,478	65,366
Use of Money and Property	-	64	64	191
Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>72,447</u>	<u>83,989</u>	<u>11,542</u>	<u>70,646</u>
EXPENDITURES				
General Government Support	-	-	-	55
Home and Community Services	67,933	49,369	18,564	42,888
Employee Benefits	290	170	120	206
Debt Service:				
Principal	3,825	3,825	-	3,825
Interest	<u>399</u>	<u>397</u>	<u>2</u>	<u>1,260</u>
TOTAL EXPENDITURES	<u>72,447</u>	<u>53,761</u>	<u>18,686</u>	<u>48,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	30,228	30,228	22,412
FUND BALANCE - Beginning of Year	<u>-</u>	<u>88,310</u>	<u>88,310</u>	<u>65,898</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 118,538</u>	<u>\$ 118,538</u>	<u>\$ 88,310</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
REVENUES				
Real Property Taxes	\$ 4,350	\$ 4,350	\$ -	\$ 5,097
Departmental Income	6,032	5,350	(682)	7,662
Use of Money and Property	-	-	-	200
TOTAL REVENUES	<u>10,382</u>	<u>9,700</u>	<u>(682)</u>	<u>12,959</u>
EXPENDITURES				
General Government Support	-	-	-	5
Home and Community Services	5,941	4,057	1,884	5,887
Employee Benefits	91	39	52	48
Debt Service:				
Principal	4,125	1,125	3,000	1,125
Interest	<u>225</u>	<u>225</u>	<u>-</u>	<u>971</u>
TOTAL EXPENDITURES	<u>10,382</u>	<u>5,446</u>	<u>4,936</u>	<u>8,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	4,254	4,254	4,923
FUND BALANCE - Beginning of Year	<u>-</u>	<u>(41,439)</u>	<u>(41,439)</u>	<u>(46,362)</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ (37,185)</u>	<u>\$ (37,185)</u>	<u>\$ (41,439)</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Departmental Income	\$ 18,765	\$ 15,729	\$ (3,036)	\$ 22,615
Use of Money and Property	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
TOTAL REVENUES	<u>18,765</u>	<u>15,730</u>	<u>(3,035)</u>	<u>22,615</u>
EXPENDITURES				
General Government Support	-	-	-	91
Home and Community Services	18,322	12,207	6,115	15,402
Employee Benefits	<u>443</u>	<u>288</u>	<u>155</u>	<u>349</u>
TOTAL EXPENDITURES	<u>18,765</u>	<u>12,495</u>	<u>6,270</u>	<u>15,842</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	3,235	3,235	6,773
FUND BALANCE - Beginning of Year	<u>-</u>	<u>(2,066)</u>	<u>(2,066)</u>	<u>(8,839)</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 1,169</u>	<u>\$ 1,169</u>	<u>\$ (2,066)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
SEWER FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(WITH CMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>SEWER 1</u>	<u>SEWER 5</u>	<u>SEWER 6</u>	<u>TOTAL</u>	<u>2020 TOTAL</u>
ASSETS					
Cash	\$ 291,649	\$ 16,515	\$ 89,660	\$ 397,824	\$ 407,082
Sewer Rents Receivable	21,327	11,165	8,007	40,499	75,316
Due From Other Funds	2,363	1,329	1,087	4,779	1,963
Due From State and Federal	4,037	2,716	12,101	18,854	6,632
Prepaid Expenditures	<u>126</u>	<u>76</u>	<u>56</u>	<u>258</u>	<u>314</u>
TOTAL ASSETS	<u><u>\$ 319,502</u></u>	<u><u>\$ 31,801</u></u>	<u><u>\$ 110,911</u></u>	<u><u>\$ 462,214</u></u>	<u><u>\$ 491,307</u></u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 754	\$ 456	\$ 9,197	\$ 10,407	\$ 14,561
Accrued Liabilities	172	119	234	525	405
Due To Other Funds	5,714	2,166	62	7,942	65,696
Due To Other Governments	<u>33,489</u>	<u>3,480</u>	<u>-</u>	<u>36,969</u>	<u>36,385</u>
TOTAL LIABILITIES	<u>40,129</u>	<u>6,221</u>	<u>9,493</u>	<u>55,843</u>	<u>117,047</u>
FUND BALANCE					
Non-Spendable:					
Prepaid Items	126	76	56	258	314
Assigned:					
Unappropriated	<u>279,247</u>	<u>25,504</u>	<u>101,362</u>	<u>406,113</u>	<u>373,946</u>
TOTAL FUND BALANCE	<u>279,373</u>	<u>25,580</u>	<u>101,418</u>	<u>406,371</u>	<u>374,260</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 319,502</u></u>	<u><u>\$ 31,801</u></u>	<u><u>\$ 110,911</u></u>	<u><u>\$ 462,214</u></u>	<u><u>\$ 491,307</u></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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Departmental Income	190,007	187,483	(2,524)	216,013
Use of Money and Property	-	188	188	569
Miscellaneous Local Sources	-	-	-	-
State Aid	19,745	19,745	-	3,092
	<u>209,752</u>	<u>207,416</u>	<u>(2,336)</u>	<u>219,674</u>
TOTAL REVENUES				
	<u>209,752</u>	<u>207,416</u>	<u>(2,336)</u>	<u>219,674</u>
EXPENDITURES				
General Government Support	19,745	19,745	-	3,355
Hone and Community Services	188,813	154,340	34,473	161,243
Employee Benefits	1,194	819	375	997
	<u>209,752</u>	<u>174,904</u>	<u>34,848</u>	<u>165,595</u>
TOTAL EXPENDITURES				
	<u>209,752</u>	<u>174,904</u>	<u>34,848</u>	<u>165,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	32,512	32,512	54,079
FUND BALANCE - Beginning of Year	-	246,861	246,861	192,782
	<u>-</u>	<u>246,861</u>	<u>246,861</u>	<u>192,782</u>
FUND BALANCE - End of Year	\$ -	\$ 279,373	\$ 279,373	\$ 246,861
	<u>\$ -</u>	<u>\$ 279,373</u>	<u>\$ 279,373</u>	<u>\$ 246,861</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 5,169	\$ 5,169	\$ -	\$ 5,467
Departmental Income	36,257	27,069	(9,188)	33,552
Use of Money and Property	-	11	11	43
State Aid	13,023	13,023	-	2,093
	<u>54,449</u>	<u>45,272</u>	<u>(9,177)</u>	<u>41,155</u>
TOTAL REVENUES				
EXPENDITURES				
General Government Support	13,023	13,023	-	2,212
Hone and Community Services	35,541	23,887	11,654	30,344
Employee Benefits	715	510	205	616
Debt Service:				
Principal	4,500	4,500	-	4,500
Interest	670	669	1	967
	<u>54,449</u>	<u>42,589</u>	<u>11,860</u>	<u>38,639</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,683	2,683	2,516
FUND BALANCE - Beginning of Year	-	22,897	22,897	20,381
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 25,580</u>	<u>\$ 25,580</u>	<u>\$ 22,897</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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 9,988	\$ 9,988	\$ -	\$ 19,550
Departmental Income	52,379	39,587	(12,792)	37,272
Use of Money and Property	-	78	78	302
State Aid	19,453	19,453	-	1,447
	<u>81,820</u>	<u>69,106</u>	<u>(12,714)</u>	<u>58,571</u>
TOTAL REVENUES				
EXPENDITURES				
General Government Support	20,417	20,081	336	2,481
Hone and Community Services	50,300	41,326	8,974	35,205
Employee Benefits	1,093	773	320	487
Debt Service:				
Principal	8,500	8,500	-	8,500
Interest	1,510	1,510	-	3,307
	<u>81,820</u>	<u>72,190</u>	<u>9,630</u>	<u>49,980</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(3,084)	(3,084)	8,591
FUND BALANCE - Beginning of Year	-	104,502	104,502	95,911
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 101,418</u>	<u>\$ 101,418</u>	<u>\$ 104,502</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF NEW PALTZ, NEW YORK
DRAINAGE FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>DRAINAGE 1</u>	<u>DRAINAGE 2</u>	<u>DRAINAGE 3</u>	<u>DRAINAGE 4</u>	<u>TOTAL</u>	<u>2020 TOTAL</u>
ASSETS						
Cash	\$ 25,520	\$ 28,893	\$ 19,795	\$ 28,277	\$ 102,485	\$ 95,033
TOTAL ASSETS	<u>\$ 25,520</u>	<u>\$ 28,893</u>	<u>\$ 19,795</u>	<u>\$ 28,277</u>	<u>\$ 102,485</u>	<u>\$ 95,033</u>
LIABILITIES AND FUND BALANCE						
FUND BALANCE						
Assigned:						
Unappropriated	<u>25,520</u>	<u>28,893</u>	<u>19,795</u>	<u>28,277</u>	<u>102,485</u>	<u>95,033</u>
TOTAL FUND BALANCE	<u>25,520</u>	<u>28,893</u>	<u>19,795</u>	<u>28,277</u>	<u>102,485</u>	<u>95,033</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,520</u>	<u>\$ 28,893</u>	<u>\$ 19,795</u>	<u>\$ 28,277</u>	<u>\$ 102,485</u>	<u>\$ 95,033</u>

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 TO ACTUAL
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 1,470	\$ 1,470	\$ -	\$ 1,470
Use of Money and Property	<u>-</u>	<u>18</u>	<u>18</u>	<u>60</u>
TOTAL REVENUES	<u>1,470</u>	<u>1,488</u>	<u>18</u>	<u>1,530</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	-	1,488	1,488	1,530
FUND BALANCE - Beginning of Year	<u>-</u>	<u>24,032</u>	<u>24,032</u>	<u>22,502</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 25,520</u>	<u>\$ 25,520</u>	<u>\$ 24,032</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 TO ACTUAL
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 1,834	\$ 1,834	\$ -	\$ 1,834
Use of Money and Property	<u>-</u>	<u>21</u>	<u>21</u>	<u>67</u>
TOTAL REVENUES	<u>1,834</u>	<u>1,855</u>	<u>21</u>	<u>1,901</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	-	1,855	1,855	1,901
FUND BALANCE - Beginning of Year	<u>-</u>	<u>27,038</u>	<u>27,038</u>	<u>25,137</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 28,893</u>	<u>\$ 28,893</u>	<u>\$ 27,038</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 TO ACTUAL
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 1,688	\$ 1,688	\$ -	\$ 1,688
Use of Money and Property	<u>-</u>	<u>15</u>	<u>15</u>	<u>44</u>
TOTAL REVENUES	<u>1,688</u>	<u>1,703</u>	<u>15</u>	<u>1,732</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	-	1,703	1,703	1,732
FUND BALANCE - Beginning of Year	<u>-</u>	<u>18,092</u>	<u>18,092</u>	<u>16,360</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 19,795</u>	<u>\$ 19,795</u>	<u>\$ 18,092</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 TO ACTUAL
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 2,385	\$ 2,385	\$ -	\$ 2,385
Use of Money and Property	<u>-</u>	<u>21</u>	<u>21</u>	<u>63</u>
TOTAL REVENUES	<u>2,385</u>	<u>2,406</u>	<u>21</u>	<u>2,448</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	-	2,406	2,406	2,448
FUND BALANCE - Beginning of Year	<u>-</u>	<u>25,871</u>	<u>25,871</u>	<u>23,423</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 28,277</u>	<u>\$ 28,277</u>	<u>\$ 25,871</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 270,648	\$ 206,434
Prepaid Expenditures	<u>70,688</u>	<u>72,811</u>
 TOTAL ASSETS	 <u>\$ 341,336</u>	 <u>\$ 279,245</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	70,688	72,811
Assigned:		
Unappropriated	<u>270,648</u>	<u>206,434</u>
 TOTAL FUND BALANCE	 <u>341,336</u>	 <u>279,245</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 341,336</u></u>	 <u><u>\$ 279,245</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINON

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, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 434,442	\$ 434,442	\$ -	\$ 365,967
Use Of Money and Property	-	300	300	898
Miscellaneous Local Sources	-	5,249	5,249	19,983
	<u>434,442</u>	<u>439,991</u>	<u>5,549</u>	<u>386,848</u>
TOTAL REVENUES				
	<u>434,442</u>	<u>439,991</u>	<u>5,549</u>	<u>386,848</u>
EXPENDITURES				
Public Safety	<u>434,442</u>	<u>377,900</u>	<u>56,542</u>	<u>371,323</u>
TOTAL EXPENDITURES				
	<u>434,442</u>	<u>377,900</u>	<u>56,542</u>	<u>371,323</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	62,091	62,091	15,525
FUND BALANCE - Beginning of Year	<u>-</u>	<u>279,245</u>	<u>279,245</u>	<u>263,720</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 341,336</u>	<u>\$ 341,336</u>	<u>\$ 279,245</u>

SEE ACCOMPANYING NOTES AND AUDITORS OPINION

TOWN OF NEW PALTZ, NEW YORK
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	NORTH PUTT CORNERS BUILDING	BRIDGE PROJECT	PEDESTRIAN ACCESS IMPROVEMENTS	DEP WATER EXPANSION	OTHER PROJECTS	2021 TOTALS	2020 TOTALS
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 10,156	\$ 164,889	\$ 175,045	\$ 460,582
Cash Restricted	1,139,243	16,293	384,122	7,598,733	85,060	9,223,451	6,476,501
Due From Other Funds	-	-	-	960	-	960	61,000
Due From State and Federal	-	100,000	135,498	-	-	235,498	146,154
Due From Other Governments	-	-	-	1,719,330	-	1,719,330	-
TOTAL ASSETS	<u>\$ 1,139,243</u>	<u>\$ 116,293</u>	<u>\$ 519,620</u>	<u>\$ 9,329,179</u>	<u>\$ 249,949</u>	<u>\$ 11,354,284</u>	<u>\$ 7,144,237</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 23,029	\$ 29,643	\$ 4,562	\$ 119,588	\$ 4,200	\$ 181,022	\$ 53,258
BAN Payable	-	170,000	560,000	9,231,000	692,640	10,653,640	873,000
Due To Other Funds	-	40,000	-	-	-	40,000	316,613
TOTAL LIABILITIES	<u>23,029</u>	<u>239,643</u>	<u>564,562</u>	<u>9,350,588</u>	<u>696,840</u>	<u>10,874,662</u>	<u>1,242,871</u>
FUND BALANCES							
Restricted	1,116,214	-	-	-	-	1,116,214	6,423,260
Assigned	-	-	-	-	160,423	160,423	209,473
Unassigned	-	(123,350)	(44,942)	(21,409)	(607,314)	(797,015)	(731,367)
TOTAL FUND BALANCES	<u>1,116,214</u>	<u>(123,350)</u>	<u>(44,942)</u>	<u>(21,409)</u>	<u>(446,891)</u>	<u>479,622</u>	<u>5,901,366</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,139,243</u>	<u>\$ 116,293</u>	<u>\$ 519,620</u>	<u>\$ 9,329,179</u>	<u>\$ 249,949</u>	<u>\$ 11,354,284</u>	<u>\$ 7,144,237</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 BALANCES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	NORTH PUTT CORNERS BUILDING	BRIDGE PROJECT	PEDESTRIAN ACCESS IMPROVEMENTS	DEP WATER EXPANSION	OTHER PROJECTS	2021 TOTALS	2020 TOTALS
REVENUES							
Use of Money and Property	\$ 6,021	\$ 163	\$ 84	\$ 1,068	\$ 766	\$ 8,102	\$ 9,562
Miscellaneous Local Sources	58,443	-	-	1,719,330	-	1,777,773	86,720
State Aid	9,643	100,000	29,775	571	-	139,989	-
Federal Aid	-	-	155,128	-	-	155,128	146,154
TOTAL REVENUES	74,107	100,163	184,987	1,720,969	766	2,080,992	242,436
EXPENDITURES							
Capital Outlay	5,328,764	248,038	203,418	1,850,198	27,953	7,658,371	864,662
Debt Service: Interest	52,389	-	-	-	-	52,389	37,043
TOTAL EXPENDITURES	5,381,153	248,038	203,418	1,850,198	27,953	7,710,760	901,705
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,307,046)	(147,875)	(18,431)	(129,229)	(27,187)	(5,629,768)	(659,269)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	9,232
Operating Transfers Out	-	-	-	-	-	-	(9,232)
BAN's Redeemed From Appropriations	-	10,000	-	-	100,360	110,360	110,360
Premium on Obligations	-	-	-	97,664	-	97,664	526,720
Proceeds of Long Term Debt	-	-	-	-	-	-	8,053,505
TOTAL OTHER FINANCING SOURCES (USES)	-	10,000	-	97,664	100,360	208,024	8,690,585
NET CHANGE IN FUND BALANCE	(5,307,046)	(137,875)	(18,431)	(31,565)	73,173	(5,421,744)	8,031,316
FUND BALANCE - Beginning of Year	6,423,260	14,525	(26,511)	10,156	(520,064)	5,901,366	(2,129,950)
FUND BALANCE - End of Year	\$ 1,116,214	\$ (123,350)	\$ (44,942)	\$ (21,409)	\$ (446,891)	\$ 479,622	\$ 5,901,366

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, 2021, 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 May 5, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of 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.

Cooper Arias, LLP

Mongaup Valley, New York
May 5, 2022

APPENDIX C

FORM OF CONTINUING DISCLOSURES

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

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”), dated as of October 6, 2022, 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 \$9,046,380 Bond Anticipation Notes – 2022C, dated October 6, 2022 (the “Note”), 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 16, 2020 (the “Resolution”), and pursuant to a Certificate of Determination of the Town Supervisor, dated the date hereof, has determined to issue the Note to provide funds to finance the the construction of an Alternative Town and Village Water Supply System in District No. 5, and _____ (the “Original Purchaser”), has agreed to provide those funds to the Issuer by purchasing the Note.

B. As a condition to the purchase of the Note from the Issuer and the sale of the Note 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 Note for purposes of paragraph (b)(5)(i) of Rule 15(c)2-12 of the Securities and Exchange Commission (the “Rule”).

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

Section 1. Notices of Events. The Issuer hereby agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access System (EMMA), and to any New York State Information Depository, in a timely manner (but not later than 10 days after the occurrence thereof), notice of the occurrence of any Specified Event described in Section 2.

Section 2. Specified Events. 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 Note or events affecting the tax status of the Note; modifications to rights of beneficial owners, if material; bond or note calls, if material; tender offers; defeasances; release, substitution, or sale of property securing repayment of the Note, 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; rating changes; incurrence of a “financial obligation” of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and any default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

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 Note, 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 the holders or beneficial owners of at least 25% in aggregate principal amount of the Note 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 Note then outstanding.

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 holders or owners 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 Note is outstanding in accordance with its terms and the Issuer remains an obligated person with respect to the Note within the meaning of the Rule.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be duly signed and delivered on its behalf by Town Supervisor, all as of the date set forth above, and the holders and beneficial owners from time to time of the Note 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 the Note.

Dated: October 6, 2022

TOWN OF NEW PALTZ, NEW YORK

By: _____
Neil Bettez
Town Supervisor