

PRELIMINARY OFFICIAL STATEMENT

**NEW/RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

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

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

**\$2,236,000**  
**TOWN OF WAWARSING**  
**ULSTER COUNTY, NEW YORK**  
**\$2,236,000 Bond Anticipation Notes, 2026**  
**(the "Notes")**

**Dated: May 7, 2026**

**Due: May 7, 2027**

The Notes are general obligations of the Town of Wawarsing, Ulster County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein. **The Notes are to be issued with the option of prior redemption on June 8, 2026 or any date thereafter, upon 20 days' written notice**

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

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

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except one necessary odd denomination of or including \$6,000. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about May 7, 2026.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com) on April 23, 2026 by no later than 10:30 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

April 17, 2026

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

# TOWN OF WAWARSING ULSTER COUNTY, NEW YORK

## TOWN OFFICIALS

JOSEPH STOECKELER  
Supervisor

WILLIAM BROWN  
JOHN GAVARIS  
JOHNNY FROST  
SAMANTHA ELLIS

GINGER GILLES  
Town Bookkeeper

JACQUELINE COLLIER  
Town Clerk

WILLIAM COLLIER, ESQ.  
Town Attorney



ORRICK, HERRINGTON & SUTCLIFFE LLP  
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

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

**TABLE OF CONTENTS**

<u>Page</u>	<u>Page</u>
<b>THE NOTES..... 1</b>	<b>SPECIAL PROVISIONS AFFECTING</b>
Description of the Notes ..... 1	<b>REMEDIES UPON DEFAULT ..... 19</b>
Optional Redemption..... 1	
Purpose of Issue..... 2	<b>MARKET AND RISK FACTORS..... 22</b>
Nature of Obligation ..... 2	
<b>BOOK-ENTRY-ONLY SYSTEM ..... 3</b>	<b>CONTINUING DISCLOSURE..... 22</b>
Certificated Notes Under Certain Circumstances ..... 5	
<b>THE TOWN..... 5</b>	<b>TAX MATTERS..... 23</b>
General Information ..... 5	
Larger Employers ..... 5	<b>LEGAL MATTERS ..... 23</b>
Population Trends..... 5	
Selected Wealth & Income Indicators ..... 6	<b>LITIGATION ..... 23</b>
Unemployment Rate Statistics..... 6	
Form of Town Government ..... 6	<b>MUNICIPAL ADVISOR ..... 24</b>
Budgetary Procedure ..... 6	
Investment Policy ..... 7	<b>CUSIP IDENTIFICATION NUMBERS ..... 24</b>
State Aid ..... 7	
Employees ..... 7	<b>RATINGS..... 24</b>
Status and Financing of Employee Pension Benefits... 8	
Other Post-Employment Benefits ..... 9	<b>MISCELLANEOUS..... 24</b>
Other Information..... 10	
Financial Statements..... 11	<b>APPENDIX – A</b>
New York State Comptroller Reports of Examination 11	<b>GENERAL FUND - Balance Sheets</b>
Fiscal Stress Monitoring System ..... 12	<b>APPENDIX – A1</b>
<b>TAX INFORMATION..... 13</b>	<b>GENERAL FUND – Revenues, Expenditures and</b>
Valuations..... 13	<b>Changes in Fund Balance</b>
Tax Rate Per \$1,000 (Assessed) ..... 13	<b>APPENDIX – A2</b>
Tax Collection Record..... 13	<b>GENERAL FUND – Revenues, Expenditures and</b>
Tax Collection Procedure ..... 13	<b>Changes in Fund Balance - Budget and Actual</b>
Larger Taxpayers – 2025 Assessment for 2026 Taxes 14	<b>APPENDIX – B</b>
Additional Tax Information..... 14	<b>BONDED DEBT SERVICE</b>
<b>TAX LEVY LIMITATION LAW..... 14</b>	<b>APPENDIX – B1</b>
<b>STATUS OF INDEBTEDNESS..... 15</b>	<b>CURRENT BONDS OUTSTANDING</b>
Constitutional Requirements ..... 15	<b>APPENDIX – C</b>
Statutory Procedure ..... 16	<b>MATERIAL EVENT NOTICES</b>
Debt Outstanding End of Fiscal Year ..... 16	<b>APPENDIX – D</b>
Details of Outstanding Indebtedness ..... 17	<b>FORM OF BOND COUNSEL’S OPINION</b>
Debt Statement Summary..... 17	<b>APPENDIX – E</b>
Installment Purchase Obligations ..... 17	<b>AUDITED FINANCIAL STATEMENTS FOR THE</b>
Bonded Debt Service..... 18	<b>YEAR ENDED DECEMBER 31, 2024</b>
Cash Flow Borrowings ..... 18	
Authorized but Unissued Items..... 18	
Estimated Overlapping Indebtedness..... 18	
Debt Ratios ..... 19	

PREPARED WITH THE ASSISTANCE OF:



Fiscal Advisors & Marketing, Inc.  
 120 Walton Street, Suite 600  
 Syracuse, New York 13202  
 (315) 752-0051  
<http://www.fiscaladvisors.com>

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

**Relating To**  
**\$2,236,000 Bond Anticipation Notes, 2026**

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Wawarsing, Ulster County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$2,236,000 Bond Anticipation Notes, 2026 (referred to herein as the “Notes”).

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

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

**THE NOTES**

**Description of the Notes**

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

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

The Notes are dated May 7, 2026 and will mature on May 7, 2027. **The Notes are to be issued with the option of prior redemption on June 8, 2026 or any date thereafter, upon 20 days’ written notice** Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

**Optional Redemption**

The Notes will be subject to redemption prior to maturity on or after June 8, 2026 upon 20 days’ written notice.

## Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State including among others, the Town Law, the Local Finance Law and a bond resolution adopted by the Town Board on June 15, 2017 authorizing the issuance of \$1,363,000 serial bonds to pay the cost of the increase and improvement to the facilities of the Kerhonkson Sewer District and a bond resolution adopted by the Town Board on September 19, 2024, authorizing the issuance of an additional \$1,529,000 serial bonds to pay part of the cost of the increase and improvement of the facilities of the Kerhonkson Sewer District.

On May 8, 2025 the Town issued \$1,894,000 bond anticipation notes as the initial borrowing for the aforementioned project. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes and provide an additional \$342,000 in new money for the aforementioned project.

## Nature of Obligation

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

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

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

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

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

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

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

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

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

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

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

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

### **BOOK-ENTRY-ONLY SYSTEM**

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

## Certificated Notes Under Certain Circumstances

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

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

## THE TOWN

### General Information

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

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

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

Source: District officials.

### Larger Employers

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

Source: Town officials.

### Population Trends

	<u>Town of Wawarsing</u>	<u>Ulster County</u>	<u>New York State</u>
2000	13,936	177,749	18,976,457
2010	13,157	182,493	19,378,102
2017	12,866	179,417	19,849,399
2018	12,776	178,599	19,542,209
2020	12,765	181,856	20,201,230
2022	12,468	182,319	19,677,151
2023 (Estimate)	12,516	182,333	19,571,216
2024 (Estimate)	12,517	182,977	19,867,248

Source: U.S. Census Bureau.

**Selected Wealth and Income Indicators**

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2006-2010, 2016-2020, and 2020-2024 American Community Surveys.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Town of:						
Wawarsing	\$ 18,380	\$ 24,368	\$ 30,813	\$ 50,588	\$ 66,310	\$ 70,854
County of:						
Ulster	28,954	35,816	47,778	70,513	87,034	113,659
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: U.S. Census 2006-2010, 2016-2020, and 2020-2024 5-Year American Community Survey data. 2021-2025 American Community Survey data is not available as of the date of this Official Statement.

**Unemployment Rate Statistics**

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

	<u>Annual Averages</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Ulster County	3.8%	7.7%	4.7%	3.2%	3.4%	3.6%	N/A
New York State	4.0	9.8	7.0	4.3	4.2	4.3	4.3

2025-26 Monthly Figures

	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Ulster County	2.9%	2.9%	3.2%	3.7%	4.0%	3.8%	N/A	3.6%	3.5%	4.1%	N/A	N/A
New York State	3.6%	3.5%	3.8%	4.6%	4.7%	4.7%	N/A	4.5%	4.4%	4.7%	N/A	N/A

Note: Unemployment rates for October 2025 are unavailable due to a government shutdown at the time. Average Annual unemployment rates for the County as well as unemployment rates for the months of February and March 2026 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. Figures not seasonally adjusted.

**Form of Town Government**

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

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

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

**Budgetary Procedure**

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

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

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

The Town's 2026 adopted budget included a 4.37% increase in the property tax levy, which was below the New York State tax levy limit of 4.38%.

### **Investment Policy**

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

### **State Aid**

The Town receives financial assistance from the State. In its budget for the 2026 fiscal year, approximately 5.60% of the General Fund revenues of the Town are estimated to be received in the form of State aid.

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

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

### **Employees**

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

<u>Bargaining Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
IBEW – Highway Landfill	25	December 31, 2028
IBEW – Water Sewer Maint.	9	December 31, 2027

## Status and Financing of Employee Pension Benefits

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

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

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

The Town's contributions to ERS since 2021, including the 2026 budgeted contribution, are as follows:

<u>Year</u>	<u>ERS</u>
2021	\$ 452,388
2022	428,979
2023	421,954
2024	460,175
2025	517,054
2026 (Budgeted)	567,780

Source: Town officials.

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

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

A chart of average ERS and PFRS rates (2022 to 2027) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>
2022	16.2%
2023	11.6
2024	13.1
2025	15.2
2026	16.5
2027	17.6

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

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

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

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

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

### **Other Post-Employment Benefits**

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

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

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

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

Balance beginning at December 31:	2023	2024
<u>Changes for the year:</u>	<u>\$ 7,182,283</u>	<u>\$ 6,648,004</u>
Service cost	313,485	395,328
Interest	319,691	280,149
Differences between expected and actual experience	(1,201,183)	(46,082)
Changes in assumptions or other inputs	192,070	(332,207)
Changes of benefit terms	-	-
Benefit payments	(158,342) <sup>(1)</sup>	(79,991)
Net Changes	<u>\$ (534,279)</u>	<u>\$ 217,197</u>
Balance ending at December 31:	2024	2025
	<u>\$ 6,648,004</u>	<u>\$ 6,865,201</u>

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

(2) Based on \$66,183 in explicit benefit payments and \$13,808 in estimated implicit liability benefit payments.

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

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

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

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

### Other Information

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

The Town is in compliance with the estoppel procedure in relation to the Notes as recommended by Bond Counsel.

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

The fiscal year of the Town is the calendar year.

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

## Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The independent audit for the fiscal year ending December 31, 2024 is attached hereto as “APPENDIX – E and has been filed to the Electronic Municipal Market Access (“EMMA”) website.

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

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

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

### Unaudited Results for the Fiscal Year Ended December 31, 2025

The Town ended the fiscal year ended December 31, 2025 with an estimated unassigned General Fund balance of \$2,362,413.

Summary unaudited information for the General Fund for the period ending December 31, 2025 is as follows:

Revenues:	\$ 4,157,824
Expenditures:	<u>4,930,069</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ (772,245)</u>
Total Fund Balance:	\$ 1,692,045

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom. It is anticipated that the audited financial statements for the period ending December 31, 2025 will be available before December 31, 2026.

## New York State Comptroller Reports of Examination

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

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

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

## Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending:</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	16.7
2023	No Designation	6.7
2022	Not Filed <sup>(1)</sup>	--
2021	No Designation	0.0
2020	No Designation	3.3

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

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

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

### TAX INFORMATION

#### Valuations

<u>Year of Town Tax Roll:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuation	\$ 1,042,985,578	\$ 1,185,645,079	\$ 1,191,835,502	\$ 1,191,172,078	\$ 1,201,563,004
New York State Equalization Rate	81.00%	71.00%	70.00%	60.00%	60.00%
Total Taxable Full Valuation	\$ 1,287,636,516	\$ 1,669,922,646	\$ 1,702,622,146	\$ 1,985,286,797	\$ 2,002,605,007

Source: Town assessment rolls.

#### Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	\$ 2.18	\$ 2.17	\$ 2.16	\$ 2.23	\$ 2.53

Source: Town officials.

#### Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 8,678,016	\$ 8,740,715	\$ 9,051,338	\$ 9,361,716	\$ 9,575,368
Amount Uncollected <sup>(1)</sup>	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> The County guarantees collection of taxes. See “Tax Collection Procedure” herein.

Source: Town officials.

## Tax Collection Procedure

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

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

## Larger Taxpayers – 2025 Assessment for 2026 Taxes

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Value</u>
NYC/DEP	Utility	\$390,725,300
Central Hudson	Utility	\$34,052,961
Palisades Interstate	Forest	\$10,096,300
Ellenville Real Estate	Hotel	\$8,987,300
Wal-Mart	Store/Retail	\$7,794,400
SR Plaza Equity Partners	Store/Retail	\$5,986,000
1100 Arrowhead Property	Former Hotel	\$4,625,300
Sun Jelly-Birchwood	Campground	\$4,000,000
Shady Acres	Mobile Home Park	\$2,981,000
Verizon	Utility	\$2,618,400

The ten taxpayers listed above have a total taxable assessed valuation of 471,866,961, which represents 39.27% of the tax base of the Town. The Town currently has pending tax certiorari cases with Wal-Mart and SR Plaza Equity Partners, with a total estimated potential financial impact of just under \$800,000 if these cases are determined adversely against the Town. Aside from as mentioned, the Town currently does not have any additional pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

Source: Town officials.

## Additional Tax Information

Real property in the Town is assessed by the Town.

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

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

The total property tax bill of a \$100,000 residential property located in the Town is approximately \$3,676 including County, Town, Fire District and School District taxes.

## TAX LEVY LIMITATION LAW

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

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

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

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

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

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

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

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

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

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

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

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

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

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

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

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

### **Statutory Procedure**

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

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

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

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

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

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

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

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

**Debt Outstanding End of Fiscal Year**

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 6,754,500	\$ 6,429,500	\$ 6,124,500	\$ 5,779,500	\$ 14,304,500
Installment Purchase Obligations <sup>(1)</sup>	5316,022	252,948	29,922	397,756	273,245
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>7,200,000</u>	<u>9,100,000</u>	<u>1,894,000</u>
Total Debt Outstanding	\$ 7,070,522	\$ 6,682,448	\$ 13,334,422	\$ 15,277,256	\$ 16,471,745

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

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the Town as of April 16, 2026.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2054	\$ 14,274,500
<u>Bond Anticipation Notes</u>		
Kerhonkson Sewer District Project	May 8, 2026	1,894,000 <sup>(1)</sup>
<u>Installment Purchase Contracts</u>		
Equipment	Various	<u>140,827</u>
	Total Debt Outstanding	\$ 16,309,327

<sup>(1)</sup> To be redeemed and renewed with a portion of the proceeds of the Notes

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 16, 2026:

Five-Year Average Full Valuation of Taxable Real Property .....	<u>\$ 1,729,614,622</u>
Debt Limit – 7% thereof .....	121,073,024
Inclusions:	
Bonds.....	\$ 14,274,500
Bond Anticipation Notes .....	1,894,000
Installment Purchase Obligations .....	<u>140,827</u>
Total Inclusions.....	\$ 16,309,327
Exclusions:	
Water Debt – Bonds <sup>(1)</sup> .....	\$ 4,835,000
Appropriations <sup>(2)</sup> .....	<u>580,000</u>
Total Exclusions.....	<u>\$ 5,415,000</u>
Total Net Indebtedness .....	<u>\$ 10,894,327</u>
Net Debt-Contracting Margin.....	<u>\$ 110,178,697</u>
The percent of debt contracting power exhausted is .....	9.00%

<sup>(1)</sup> Excluded pursuant to Section 124.10 of the Local Finance Law.

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

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

### **Installment Purchase Obligations**

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

<u>Purpose</u>	<u>Maturity</u>	<u>Rate</u>	<u>Principal Outstanding</u>
Highway Equipment	2027	6.35%	\$ 70,413
Highway Equipment	2027	6.35%	<u>70,413</u>
Total			\$ 140,826

Note: This table is not audited.

### **Bonded Debt Service**

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

### **Cash Flow Borrowings**

On September 25, 2024 the Town issued \$5,600,000 revenue anticipation notes in anticipation of the revenues to be received in anticipation of contractual revenues from New York City related to the New York City water supply due to the Port Ben extension of the Wawarsing Water District. On March 12, 2025 the Town renewed \$2,000,000 of the outstanding \$5,600,000 revenue anticipation notes until September 25, 2025. On September 24, 2025 the Town issued \$2,000,000 revenue anticipation notes to fully redeem and renew the outstanding revenue anticipation notes that matured September 25, 2025. The town paid off the \$2,000,000 revenue anticipation notes in full on December 30, 2025

Other than the aforementioned revenue anticipation notes, the Town has not issued other revenue or tax anticipation notes or budget or deficiency notes in the recent past, and does not foresee additional cash flow borrowing needs in the immediate future.

### **Authorized but Unissued Items**

On June 15, 2017 the Town Board approved a resolution authorizing the issuance of \$1,363,000 serial bonds to pay the cost of the increase and improvement to the facilities of the Kerhonkson Sewer District. On September 19, 2024, the Town Board approved a resolution authorizing the issuance of an additional \$1,529,000 serial bonds to pay part of the cost of the increase and improvement of the facilities of the Kerhonkson Sewer District. On May 8, 2025 the Town issued \$1,894,000 bond anticipation notes for the aforementioned project. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes and provide an additional \$342,000 in new money for the aforementioned project. \$656,000 serial bonds remain authorized and unused pursuant to the authorization. It is anticipated the Town will fully redeem and permanently finance the Notes in fiscal year 2026 with financing issued through the United States Department of Agriculture.

On August 21, 2025, the Town Board approved a resolution authorizing the issuance of \$858,000 bonds to pay the cost of the increase and improvement to the facilities of the Kerhonkson Sewer District. Timeline for borrowing is not known as of the date of this Official Statement.

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

**Estimated Overlapping Indebtedness**

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

<u>Municipality</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:			
Ulster	\$ 191,057,970	5.82%	\$ 11,119,574
School District:			
Ellenville CSD	21,495,000	90.10%	19,366,995
Fallsburg CSD	14,157,967	2.24%	317,138
Rondout Valley CSD	51,111,977	4.58%	2,340,929
Tri-Valley CSD	3,600,000	1.39%	<u>50,040</u>
		Total:	<u>\$ 33,194,676</u>

<sup>(1)</sup> Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for respective municipalities along with state building aid and state transportation aid for respective school districts is not currently available from source.

**Debt Ratios**

The following table sets forth certain ratios relating to the Town’s indebtedness as of April 16, 2026.

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness (see "Debt Statement Summary").....	\$ 10,894,327	\$ 870.36	0.54%
Net Indebtedness Plus Gross Overlapping Indebtedness <sup>(c)</sup> .....	44,089,003	3,522.33	2.20%

<sup>(a)</sup> The 2024 estimated population of the Town is 12,517. (See “Population Trends” herein.)  
<sup>(b)</sup> The Town's full value of taxable real estate for the 2026 tentative assessment roll is \$2,002,605,007. (See “Valuations” herein.)  
<sup>(c)</sup> The Town's estimated applicable share of gross underlying indebtedness is \$33,194,676. (See “Estimated Overlapping Indebtedness” herein.)

**SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

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

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

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the

Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **MARKET AND RISK FACTORS**

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

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

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

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

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

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

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

Federal Policy Risk. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

## CONTINUING DISCLOSURE

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

## Historical Compliance

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

## TAX MATTERS

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

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

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

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

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

## **LEGAL MATTERS**

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

## **LITIGATION**

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

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

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## **MUNICIPAL ADVISOR**

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

## **CUSIP IDENTIFICATION NUMBER**

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

## **RATINGS**

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

Moody's Investors Service ("Moody's") has assigned their rating of "A1" to the Town's outstanding general obligations bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective 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 the rating of the bonds may have an adverse effect on the market price of the Notes.

## **MISCELLANEOUS**

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

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

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

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

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

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

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

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

The Town's contact information is as follows: Joseph Stoeckeler, Town Supervisor, Town of Wawarsing, 108 Canal Street, Wawarsing, New York 12428, Phone: (845) 647-7800 x6, Fax: (845) 647-1046, Email: [supervisor@wawarsingny.gov](mailto:supervisor@wawarsingny.gov).

**TOWN OF WAWARSING**

**Dated: April 17, 2026**

**JOSEPH STOECKELER**  
**Town Supervisor**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending December 31st:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b><u>ASSETS</u></b>					
Cash	\$ 2,147,643	\$ 2,151,553	\$ 2,076,718	\$ 1,543,674	\$ 762,033
Receivables, Net	58,466	26,450	45,088	55,183	55,734
Prepaid Expenditures	46,351	41,500	38,000	38,000	43,125
Due from State and Federal	30,000	-	-	95,306	-
Due from Other Funds	889,310	1,127,053	1,644,733	1,579,255	2,029,296
Due From Other Governments	<u>150,970</u>	<u>204,871</u>	<u>58,000</u>	<u>57,401</u>	<u>68,059</u>
 TOTAL ASSETS	 <u>\$ 3,322,740</u>	 <u>\$ 3,551,427</u>	 <u>\$ 3,862,539</u>	 <u>\$ 3,368,819</u>	 <u>\$ 2,958,247</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 70,552	\$ 333,327	\$ 200,768	\$ 154,371	\$ 362,379
Accrued Liabilities	48,658	42,824	169,203	29,761	51,392
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	11,137	71,783	14,704	15,978
Unearned Revenues	36,100	36,100	36,100	36,100	60,925
Escrow Liabilities	-	3,281	3,281	3,281	-
Other Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,281</u>
 TOTAL LIABILITIES	 <u>\$ 155,310</u>	 <u>\$ 426,669</u>	 <u>\$ 481,135</u>	 <u>\$ 238,217</u>	 <u>\$ 493,955</u>
 <b><u>FUND EQUITY</u></b>					
Nonspendable					
Prepaid Items	\$ 46,351	\$ 41,500	\$ 38,000	\$ 38,000	\$ 43,125
Non-Current Receivables	454,279	684,590	438,695	486,082	487,082
Restricted:					
Capital	-	-	-	-	-
Assigned					
Appropriated	173,320	322,324	488,832	641,255	744,220
Unappropriated	-	-	-	-	-
Unassigned	<u>2,493,480</u>	<u>2,076,344</u>	<u>2,415,877</u>	<u>1,965,265</u>	<u>1,189,865</u>
 TOTAL FUND EQUITY	 <u>3,167,430</u>	 <u>3,124,758</u>	 <u>3,381,404</u>	 <u>3,130,602</u>	 <u>2,464,292</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u>\$ 3,322,740</u>	 <u>\$ 3,551,427</u>	 <u>\$ 3,862,539</u>	 <u>\$ 3,368,819</u>	 <u>\$ 2,958,247</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31st:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 2,711,162	\$ 2,621,242	\$ 2,574,045	\$ 2,573,415	\$ 2,573,415
Other Tax Items	64,071	113,472	69,127	65,194	66,694
Non-Property Taxes	-	-	-	-	-
Departmental Income	272,762	384,814	369,057	397,092	415,157
Intergovernmental Charges	2,000	20,000	24,000	22,000	38,059
Sale of Property and Compensation for Loss	5,512	112,879	2,276	287	232
Use of Money and Property	21,143	23,306	19,153	41,157	104,117
Licenses and Permits	1,985	3,104	2,660	6,588	3,274
Fines and Forfeitures	174,933	229,594	212,666	239,857	189,096
Interfund Revenue	-	-	-	-	-
Miscellaneous	237,544	172,248	231,954	176,804	217,249
Revenues from Federal Aid	30,000	55,723	347,571	101,183	638,028
Revenues from State Aid	159,195	287,081	230,933	307,915	589,686
Total Revenues	<u>\$ 3,680,307</u>	<u>\$ 4,023,463</u>	<u>\$ 4,083,442</u>	<u>\$ 3,931,492</u>	<u>\$ 4,835,007</u>
<b>Other Sources:</b>					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 3,680,307</u>	<u>\$ 4,023,463</u>	<u>\$ 4,083,442</u>	<u>\$ 3,931,492</u>	<u>\$ 4,835,007</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 1,487,698	\$ 2,283,289	\$ 1,819,480	\$ 1,825,367	\$ 1,852,661
Public Safety	28,118	27,895	29,621	33,767	33,682
Health	8,074	9,554	68,506	4,319	5,076
Transportation	164,635	224,526	217,647	234,474	226,891
Culture and Recreation	240,809	416,904	603,226	971,272	779,864
Home and Community Services	437,695	420,594	384,627	396,797	524,511
Economic Assistance and Opportunity	32,533	14,000	14,000	6,780	6,500
Employee Benefits	679,432	669,373	737,836	709,518	730,874
Debt Service	-	-	-	-	341,190
Total Expenditures	<u>\$ 3,078,994</u>	<u>\$ 4,066,135</u>	<u>\$ 3,874,943</u>	<u>\$ 4,182,294</u>	<u>\$ 4,501,249</u>
<b>Other Uses:</b>					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,928</u>
Total Expenditures and Other Uses	<u>\$ 3,078,994</u>	<u>\$ 4,066,135</u>	<u>\$ 3,874,943</u>	<u>\$ 4,182,294</u>	<u>\$ 5,532,177</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>					
	<u>601,313</u>	<u>(42,672)</u>	<u>208,499</u>	<u>(250,802)</u>	<u>(697,170)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	2,566,117	3,167,430	3,124,758	3,381,404	3,130,602
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>48,147</u>	<u>-</u>	<u>30,860</u>
Fund Balance - End of Year	<u>\$ 3,167,430</u>	<u>\$ 3,124,758</u>	<u>\$ 3,381,404</u>	<u>\$ 3,130,602</u>	<u>\$ 2,464,292</u>

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

GENERAL FUND

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

Fiscal Years Ending December 31st:	2024			2025	2026
	Original Budget	Revised Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 2,573,415	\$ 2,573,415	\$ 2,573,415	\$ 2,665,436	\$ 3,038,436
Other Tax Items	100,000	100,000	66,694	70,000	70,000
Non-Property Taxes	-	-	-	-	-
Departmental Income	329,000	329,000	415,157	369,000	384,000
Intergovernmental Charges	30,000	30,000	38,059	30,000	30,000
Sale of Property and Compensation for Loss	1,000	1,000	232	1,000	1,000
Use of Money and Property	107,000	107,000	104,117	108,000	72,000
Licenses and Permits	2,500	2,500	3,274	2,500	2,500
Fines and Forfeitures	180,000	180,000	189,096	180,000	200,000
Interfund Revenue	-	-	-	-	-
Miscellaneous	145,000	100,000	217,249	100,000	145,000
Revenues from Federal Aid	100,000	630,928	638,028	100,000	75,000
Revenues from State Aid	178,500	514,690	589,686	248,500	238,500
<b>Total Revenues</b>	<b>\$ 3,746,415</b>	<b>\$ 4,568,533</b>	<b>\$ 4,835,007</b>	<b>\$ 3,874,436</b>	<b>\$ 4,256,436</b>
Other Sources:					
Appropriated Fund Balance	\$ 641,255	\$ -		\$ 744,220	\$ 624,114
Interfund Transfers	-	-		-	-
<b>Total Revenues and Other Sources</b>	<b>\$ 4,387,670</b>	<b>\$ 4,568,533</b>	<b>\$ 4,835,007</b>	<b>\$ 4,618,656</b>	<b>\$ 4,880,550</b>
<b>EXPENDITURES</b>					
General Government Support	\$ 1,738,053	\$ 1,861,053	\$ 1,852,661	\$ 1,835,768	\$ 1,920,150
Public Safety	38,750	38,750	33,682	39,500	38,500
Health	7,500	7,500	5,076	5,000	15,000
Transportation	253,600	261,600	226,891	237,500	237,500
Culture and Recreation	818,400	818,400	779,864	763,900	686,700
Home and Community Services	388,300	526,800	524,511	428,000	405,000
Economic Assistance and Opportunity	500	6,500	6,500	6,500	6,500
Employee Benefits	818,567	823,067	730,874	892,988	932,600
Debt Service	324,000	341,190	341,190	409,500	638,600
<b>Total Expenditures</b>	<b>\$ 4,387,670</b>	<b>\$ 4,684,860</b>	<b>\$ 4,501,249</b>	<b>\$ 4,618,656</b>	<b>\$ 4,880,550</b>
Other Uses:					
Interfund Transfers	-	1,030,928	1,030,928	-	-
<b>Total Expenditures and Other Uses</b>	<b>\$ 4,387,670</b>	<b>\$ 5,715,788</b>	<b>\$ 5,532,177</b>	<b>\$ 4,618,656</b>	<b>\$ 4,880,550</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	-	(1,147,255)	(697,170)	-	-
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	-	1,147,255	3,130,602	-	-
Prior Period Adjustments (net)	-	-	30,860	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,464,292</b>	<b>\$ -</b>	<b>\$ -</b>

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

**APPENDIX - B**  
**Town of Wawarsing**

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	\$610,000	\$403,702.92	\$1,013,702.92
2027	615,000	399,076.25	1,014,076.25
2028	630,000	386,101.25	1,016,101.25
2029	640,000	372,526.25	1,012,526.25
2030	655,000	358,551.25	1,013,551.25
2031	665,000	343,976.25	1,008,976.25
2032	680,000	329,001.25	1,009,001.25
2033	705,000	313,426.25	1,018,426.25
2034	720,000	297,120.00	1,017,120.00
2035	730,000	280,213.75	1,010,213.75
2036	745,000	262,707.50	1,007,707.50
2037	530,000	244,601.25	774,601.25
2038	550,000	225,895.00	775,895.00
2039	565,000	206,388.75	771,388.75
2040	590,000	186,282.50	776,282.50
2041	610,000	165,301.25	775,301.25
2042	630,000	142,895.00	772,895.00
2043	650,000	119,013.75	769,013.75
2044	670,000	93,607.50	763,607.50
2045	690,000	66,626.25	756,626.25
2046	709,500	38,745.00	748,245.00
2047	85,000	9,900.00	94,900.00
2048	85,000	8,718.75	93,718.75
2049	85,000	7,537.50	92,537.50
2050	85,000	6,356.25	91,356.25
2051	90,000	5,175.00	95,175.00
2052	95,000	3,937.50	98,937.50
2053	95,000	2,625.00	97,625.00
2054	95,000	1,312.50	96,312.50
<b>TOTAL</b>	<b>\$14,304,500</b>	<b>\$5,281,321.67</b>	<b>\$19,585,821.67</b>

## MATERIAL EVENT NOTICES

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

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

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

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

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

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

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

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

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

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

## FORM OF BOND COUNSEL'S OPINION

May 7, 2026

Town of Wawarsing  
County of Ulster  
State of New York

Re: Town of Wawarsing, Ulster County, New York  
\$2,236,000 Bond Anticipation Notes, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$2,236,000 Bond Anticipation Notes, 2026 (the "Obligations"), of the Town of Wawarsing, Ulster County, New York (the "Obligor"), dated May 7, 2026, numbered 1, of the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_% per annum, payable at maturity, and maturing May 7, 2027.

The Obligations shall be subject to redemption prior to maturity on June 8, 2026 or any date thereafter, upon 20 days' written notice.

We have examined:

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

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

In our opinion:

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

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

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

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

***TOWN OF WAWARSING, NEW YORK***

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2024***

TOWN OF WAWARSING, NEW YORK  
 DECEMBER 31, 2024  
 TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Town-wide Financial Statements:	
Statement Of Net Position	12
Statement Of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation Of The Governmental Funds Balance Sheet With The Statement of Net Position	16
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	17
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	18
Statement of Fund Net Position – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Statement Of Fiduciary Net Position – Fiduciary Funds	23
Statement Of Changes In Fiduciary Net Position – Fiduciary Funds	24
Notes To The Financial Statements	25
Required Supplementary Information:	
Statement Of Revenues, Expenditures, And Changes In Fund Balance Budget To Actual – General Fund – Town Wide	55
Statement of Revenues, Expenditures, And Changes in Fund Balance Budget to Actual -General Fund-Town-Outside	56
Statement Of Revenues, Expenditures, And Changes In Fund Balance Budget To Actual – Highway Fund – Part Town	57

TOWN OF WAWARSING, NEW YORK  
 DECEMBER 31, 2024  
 TABLE OF CONTENTS

	<u>PAGE</u>
Schedule of Changes in the Total OPEB Liability	58
Notes To Required Supplementary Information	59
Schedule of Proportionate Share of the Net Pension Asset/Liability	60
Schedule of Employer’s Pension Contributions	61
Supplemental Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds	62
Combining Statement Of Revenues, Expenditures And Changes In Fund Balance – Non-Major Governmental Funds	63
General Fund – Town-Wide Comparative Balance Sheet	64
General Fund Town-Outside: Comparative Balance Sheet	65
Highway Fund – Part-Town: Comparative Balance Sheet	66
Sewer Districts:	
Combining Balance Sheet	67
Statement Of Revenues, Expenditures, And Changes In Fund Balance Budget To Actual – Napanoch Sewer District	68
Statement Of Revenues, Expenditures, And Changes In Fund Balance Budget To Actual – Kerhonkson Sewer District	69
Water Districts:	
Combining Balance Sheet	70
Statement Of Revenues, Expenditures, And Changes In Fund Balance Compared To Budget – Napanoch Water District	71
Statement Of Revenues, Expenditures, And Changes In Fund Balance Compared To Budget – Kerhonkson Water District	72
Statement Of Revenues, Expenditures, And Changes In Fund Balance Compared To Budget – Wawarsing Water District	73

TOWN OF WAWARSING, NEW YORK  
DECEMBER 31, 2024  
TABLE OF CONTENTS

	<u>PAGE</u>
Lighting Districts:	
Combining Balance Sheet	74
Statements Of Revenues, Expenditures And Changes In Fund Balance – Budget To Actual	75
Capital Projects:	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures And Changes In Fund Balance	82
Single Audit Reports:	
Schedule Of Expenditures of Federal Awards	83
Notes To Schedule Of Expenditures of Federal Awards	84
Schedule of State Transportation Assistance Expended	85
Notes to Schedule of State Transportation Assistance Expended	86
Independent Auditors’ Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	87
Independent Auditors’ Report on Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	89
Independent Auditors’ Report on Compliance Over State Transportation Assistance Programs and Report on Internal Control Over Compliance	92
Schedule of Findings and Questioned Costs for Federal Awards Programs	94
Schedule of Findings and Questioned Costs for State Transportation Assistance Expended	95
Summary Schedule of Prior Audit Findings	96

## INDEPENDENT AUDITORS' REPORT

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Wawarsing, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wawarsing, New York, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, on pages 5 through 11 and 55 through 61, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

## **Other Matters**

The prior year summarized comparative information has been derived from the Town's December 31, 2023 financial statements and, in our report dated October 31, 2024, we expressed an unmodified opinion on those financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025 on our consideration of the Town of Wawarsing, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wawarsing, New York's internal control over financial reporting and compliance.

*Cooper Arias, LLP*

Mongaup Valley, New York  
September 25, 2025

**TOWN OF WAWARSING**

Town of Wawarsing  
108 Canal Street  
Ellenville, NY 12428

(845) 647-6570

---

# **MANAGEMENT DISCUSSION AND ANALYSIS**

---

Town of Wawarsing

Year Ended December 31, 2024

## Town of Wawarsing

The following is a discussion and analysis of the Town’s financial performance for the fiscal year ended December 31, 2024. This section is a summary of the Town’s financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town’s financial statements, which immediately follow this section.

### Financial Highlights

Key financial highlights for 2024 are as follows:

#### Town – Wide Statements

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

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 7,180,894	44%	48%
State and Federal Aid	3,304,285	20%	18%
Water & Sewer Charges	1,034,025	6%	7%
Local Grant	3,053,841	2%	15%

- The Town’s main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Transportation	\$ 6,785,853	46%	47%
General Government Support	2,647,440	18%	19%
Home and Community Services	2,977,632	20%	19%

- Total net position was \$45,720,161 at December 31, 2024, up \$1,621,544 from the prior year.

#### Fund Financial Statements

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

<u>General Fund- Town-Wide</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 2,573,415	53%	65%
General Government Support	1,852,661	41%	44%
Employee Benefits	730,874	16%	17%
Home and Community Services	524,571	12%	9%
Culture and Recreation	779,864	17%	23%

- The General Fund Town-Wide fund balance decreased from \$3,161,462 at December 31, 2023 to \$2,164,292 at December 31, 2024. Of the total fund balance, \$744,220 was appropriated towards the ensuing year’s budget and \$530,207 was in nonspendable form, leaving \$1,189,865 as unassigned.
- The Highway Fund Part-Town had tax revenues of \$3,478,858, which accounted for 76% of its total revenues of \$4,582,773.
- The Sewer Fund revenues consisted primarily of sewer charges (\$681,509/82%) and property taxes (\$136,155/17%).
- The Capital Projects expenditures were related to the following projects:

	<u>2024</u>	<u>2023</u>
Airport	\$ 188,534	\$ 600,647
Highway Barn	5,176,015	4,702,507
Highway Truck	547,526	-
Napanoch Water	-	2,470
Kerhonkson Sewer	860,973	814,971
Kerhonkson Water	-	-
Wawarsing Water District	<u>3,031,917</u>	<u>2,217,823</u>
	<u>\$ 9,804,965</u>	<u>\$ 8,338,418</u>

### **Using this Comprehensive Annual Report**

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

### **Reporting the Town as a Whole**

#### *The Statement of Net Position and Statement of Activities*

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

These two statements report the Town’s net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the Town’s financial

health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

## **Reporting the Town's Most Significant Funds**

### *Fund Financial Statements*

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

### *Governmental Funds*

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

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

## **Reporting the Town's Fiduciary Responsibilities**

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

## The Town as a Whole

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

<b>NET ASSETS</b>		
Current Assets	\$ 13,329,677	\$ 11,725,225
Capital Assets, Net	<u>66,054,583</u>	<u>58,673,394</u>
<b>Total Assets</b>	<u>79,384,260</u>	<u>70,398,619</u>
Pensions	1,432,447	1,627,216
OPEB Liability	<u>1,818,745</u>	<u>2,433,946</u>
<b>Total Deferred Outflows of Resources</b>	<u>3,251,192</u>	<u>4,061,162</u>
Current Liabilities	17,022,785	10,311,992
Long-Term Liabilities	<u>14,592,824</u>	<u>14,908,034</u>
<b>Total Liabilities</b>	<u>31,615,609</u>	<u>25,220,026</u>
Pensions	779,615	126,038
OPEB Liability	<u>4,520,067</u>	<u>5,051,794</u>
<b>Total Deferred Inflow of Resources</b>	<u>5,299,682</u>	<u>5,177,832</u>
Net Investment in Capital Assets	50,586,001	45,318,972
Restricted	394,934	483,678
Unrestricted	<u>(5,260,774)</u>	<u>(1,740,727)</u>
<b>Total Net Position</b>	<u>\$ 45,720,161</u>	<u>\$ 44,061,923</u>
<b>REVENUES</b>		
Real Property Taxes	\$ 7,180,894	\$ 6,872,068
Other Tax Items	66,694	65,194
Non-Property Tax Items	455,421	465,285
Investment Earnings	200,262	60,588
Sale Of Property And Compensation For Loss	41,673	24,260
Premium on Obligations	62,136	32,694
Miscellaneous Local Sources	-	199,453
State Aid	489,686	209,545
Charges For Services	1,982,545	1,862,645
Grants and Contributions	<u>5,944,898</u>	<u>4,441,167</u>
<b>Total Revenues</b>	<u>16,423,897</u>	<u>14,232,899</u>
<b>EXPENDITURES</b>		
General Government Support	2,647,440	2,516,774
Public Safety	428,277	469,120
Health	407,854	318,244
Transportation	6,765,853	6,272,062
Economic Assistance And Opportunity	6,500	6,780
Culture And Recreation	1,033,222	1,111,625
Home And Community Service	2,977,632	2,539,663
Debt Service	<u>515,245</u>	<u>184,282</u>
<b>Total Expenditures</b>	<u>14,802,353</u>	<u>13,418,550</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,621,544</u>	<u>\$ 814,349</u>

## Governmental Activities

### *The Town's Funds*

Information about the Town's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$16,971,423 and expenditures of \$21,996,371 which resulted in a decrease in fund balance of \$5,024,948.

	<u>2024 Fund Balance</u>	<u>2023 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund-Town-Wide	\$ 2,464,292	\$ 3,130,602	\$ (666,310)
General Fund-Town Outside	1,533,968	1,345,571	188,397
Highway Fund-Part-Town	1,109,472	1,304,624	(195,152)
Capital Projects	(9,769,015)	(5,735,806)	(4,033,209)
Non-Major Funds	<u>1,225,168</u>	<u>1,507,148</u>	<u>(281,980)</u>
<b>Total Governmental</b>	<u>\$ (3,436,115)</u>	<u>\$ 1,522,139</u>	<u>\$ (4,988,254)</u>

## BUDGET INFORMATION

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

### Capital Assets

The Town has \$65,863,257 invested in capital assets, net of \$74,145,624 in accumulated depreciation, as of December 31, 2024. Depreciation expense for the year ended December 31, 2024 was \$2,955,871.

### Debt

As of December 31, 2024, the Town has \$5,779,500 in outstanding bonds payable and \$397,756 in installment purchase debt outstanding. The Town paid \$56,299 in interest throughout the year.

### **Contacting the Town’s Financial Management**

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

### **Contacting the Component Unit’s Financial Management**

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

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

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2023 TOTAL
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 4,900,677	\$ 123,875	\$ 5,024,552	\$ 9,227,376
Cash - Restricted	4,180,793	210,398	4,391,191	682,255
Accounts Receivable	113,707	1,036	114,743	127,914
Rents Receivable	236,797	-	236,797	230,407
Due From State and Federal	1,082,307	-	1,082,307	905,401
Due From Other Governments	2,696,971	-	2,696,971	776,872
Prepaid Expenditures	118,425	1,367	119,792	106,254
Current Portion of Mortgage and Notes Receivable - Restricted	-	8,756	8,756	11,373
Total Current Assets	<u>13,329,677</u>	<u>345,432</u>	<u>13,675,109</u>	<u>12,067,852</u>
Non-Current Assets:				
Mortgage and Notes Receivable, net of Current - Restricted	-	-	-	8,756
Other Assets	-	1,110	1,110	1,110
Judgments and Claims, net	191,326	-	191,326	107,245
Capital Assets, net	<u>65,863,257</u>	<u>-</u>	<u>65,863,257</u>	<u>58,673,394</u>
Total Non-Current Assets	<u>66,054,583</u>	<u>1,110</u>	<u>66,055,693</u>	<u>58,790,505</u>
<b>TOTAL ASSETS</b>	<u>79,384,260</u>	<u>346,542</u>	<u>79,730,802</u>	<u>70,858,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	1,432,447	-	1,432,447	1,627,216
OPEB Liability	<u>1,818,745</u>	<u>-</u>	<u>1,818,745</u>	<u>2,433,946</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,251,192</u>	<u>-</u>	<u>3,251,192</u>	<u>4,061,162</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,336,764	5,180	1,341,944	1,769,907
Accrued Liabilities	414,542	-	414,542	218,904
Bond Anticipation Note Payable	9,100,000	-	9,100,000	7,200,000
Revenue Anticipation Note Payable	5,600,000	-	5,600,000	-
Due to Other Governments	15,978	-	15,978	14,704
Escrow Liabilities	490,878	-	490,878	512,058
Other Liabilities	3,698	-	3,698	565,069
Unearned Revenues	<u>60,925</u>	<u>-</u>	<u>60,925</u>	<u>36,100</u>
Total Current Liabilities	<u>17,022,785</u>	<u>5,180</u>	<u>17,027,965</u>	<u>10,316,742</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>2023 TOTAL</u>
<b>LIABILITIES</b>				
Non-Current Liabilities				
Due Within One Year:				
Serial Bonds	\$ 325,000	\$ -	\$ 325,000	\$ 345,000
Installment Purchase Debt	124,512	-	124,512	29,922
Total OPEB Liability	80,000	-	80,000	160,000
Due Beyond One Year:				
Serial Bonds	5,454,500	-	5,454,500	5,779,500
Installment Purchase Debt	273,244	-	273,244	-
Total OPEB Liability	6,785,201	-	6,785,201	6,488,004
Compensated Absences	82,806	-	82,806	89,961
Net Pension Liability	1,467,561	-	1,467,561	2,122,892
	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities	14,592,824	-	14,592,824	15,015,279
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>31,615,609</b>	<b>5,180</b>	<b>31,620,789</b>	<b>25,332,021</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	779,615	-	779,615	126,038
OPEB Liability	4,520,067	-	4,520,067	5,051,794
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,299,682</b>	<b>-</b>	<b>5,299,682</b>	<b>5,177,832</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	50,586,001	-	50,586,001	45,318,972
Restricted	394,934	219,154	614,088	612,715
Unrestricted	(5,260,774)	122,208	(5,138,566)	(1,522,021)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 45,720,161</b>	<b>\$ 341,362</b>	<b>\$ 46,061,523</b>	<b>\$ 44,409,666</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>			
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>2023 TOTAL</u>
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government Support	\$ 2,647,440	\$ 354,818	\$ -	\$ 530,928	\$ (1,761,694)		\$ (1,761,694)	\$ (2,256,467)
Public Safety	428,277	138,867	-	-	(289,410)		(289,410)	(343,475)
Health	407,854	-	-	-	(407,854)		(407,854)	(315,192)
Transportation	6,785,853	86,567	1,035,946	201,039	(5,462,301)		(5,462,301)	(4,849,290)
Economic Assistance and Opportunity	6,500	-	-	-	(6,500)		(6,500)	105,090
Culture and Recreation	1,033,222	136,596	183,558	-	(713,068)		(713,068)	(912,072)
Home and Community Services	2,977,632	1,265,697	100,000	3,893,427	2,281,492		2,281,492	1,640,950
Debt Service	515,575	-	-	-	(515,575)		(515,575)	(184,282)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>14,802,353</u>	<u>1,982,545</u>	<u>1,319,504</u>	<u>4,625,394</u>	<u>(6,874,910)</u>		<u>(6,874,910)</u>	<u>(7,114,738)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Greater Wawarsing Local Development Corp.	7,141	448	-	-		(6,693)	(6,693)	(5,987)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>7,141</u>	<u>448</u>	<u>-</u>	<u>-</u>		<u>(6,693)</u>	<u>(6,693)</u>	<u>(5,987)</u>
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<u>14,809,494</u>	<u>1,982,993</u>	<u>1,319,504</u>	<u>4,625,394</u>	<u>(6,874,910)</u>	<u>(6,693)</u>	<u>(6,881,603)</u>	<u>(7,120,725)</u>
<b>GENERAL REVENUES</b>								
Real Property Tax					7,180,894	-	7,180,894	6,872,068
Other Tax Items					66,694	-	66,694	65,194
Non-Property Tax Items					455,421	-	455,421	465,285
Use of Money and Property					199,950	312	200,262	60,938
Sale Of Property and Compensation For Loss					41,673	-	41,673	24,601
Premium on Obligations					62,136	-	62,136	32,694
Miscellaneous Local Sources					-	-	-	199,453
State Aid					489,686	-	489,686	209,545
<b>TOTAL GENERAL REVENUES</b>					<u>8,496,454</u>	<u>312</u>	<u>8,496,766</u>	<u>7,929,778</u>
<b>CHANGE IN NET POSITION</b>					1,621,544	(6,381)	1,615,163	809,053
<b>TOTAL NET POSITION-</b>								
Beginning of Year (Restated)					<u>44,098,617</u>	<u>347,743</u>	<u>44,446,360</u>	<u>43,600,613</u>
<b>TOTAL NET POSITION-</b>								
End of Year					<u>\$ 45,720,161</u>	<u>\$ 341,362</u>	<u>\$ 46,061,523</u>	<u>\$ 44,409,666</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	GENERAL TOWN-WIDE	GENERAL TOWN- OUTSIDE	HIGHWAY PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2023 TOTALS
<b>ASSETS</b>							
Cash	\$ 762,033	\$ 1,957,142	\$ 1,246,638	\$ 34,825	\$ 900,039	\$ 4,900,677	\$ 9,097,293
Cash - Restricted	-	-	4,112	3,785,859	390,822	4,180,793	483,678
Accounts Receivable	55,734	31,330	26,643	-	-	113,707	126,674
Rents Receivable	-	-	-	-	236,797	236,797	230,407
Due From Other Funds	2,029,296	-	-	-	12,515	2,041,811	1,579,255
Due From State and Federal	-	-	-	736,966	345,341	1,082,307	905,401
Due From Other Governments	68,059	58,850	-	2,570,062	-	2,696,971	776,872
Prepaid Expenditures	43,125	8,400	55,000	-	11,900	118,425	104,900
<b>TOTAL ASSETS</b>	<b>\$ 2,958,247</b>	<b>\$ 2,055,722</b>	<b>\$ 1,332,393</b>	<b>\$ 7,127,712</b>	<b>\$ 1,897,414</b>	<b>\$ 15,371,488</b>	<b>\$ 13,304,480</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 362,379	\$ 23,936	\$ 130,644	\$ 782,442	\$ 37,363	\$ 1,336,764	\$ 1,765,157
Accrued Liabilities	51,392	6,940	76,231	-	22,986	157,549	79,998
Due To Other Funds	-	-	16,046	1,413,868	611,897	2,041,811	1,579,255
Due To Other Government	15,978	-	-	-	-	15,978	14,704
Revenue Anticipation Note	-	-	-	5,600,000	-	5,600,000	-
Bond Anticipation Notes Payable	-	-	-	9,100,000	-	9,100,000	7,200,000
Escrow Liabilities	-	490,878	-	-	-	490,878	512,058
Other Liabilities	3,281	-	-	417	-	3,698	565,069
Unearned Revenues	60,925	-	-	-	-	60,925	36,100
<b>TOTAL LIABILITIES</b>	<b>493,955</b>	<b>521,754</b>	<b>222,921</b>	<b>16,896,727</b>	<b>672,246</b>	<b>18,807,603</b>	<b>11,752,341</b>
<b>FUND BALANCES</b>							
Non-spendable:							
Prepaid Items	43,125	8,400	55,000	-	11,900	118,425	104,900
Non-Current Receivables	487,082	-	-	-	-	487,082	486,082
Restricted:							
Capital	-	-	4,112	-	390,822	394,934	483,678
Assigned:							
Appropriated	744,220	200,000	101,542	-	145,066	1,190,828	1,185,692
Unappropriated	-	1,325,568	948,818	44,929	677,380	2,996,695	3,094,752
Unassigned	1,189,865	-	-	(9,813,944)	-	(8,624,079)	(3,802,965)
<b>TOTAL FUND BALANCES</b>	<b>2,464,292</b>	<b>1,533,968</b>	<b>1,109,472</b>	<b>(9,769,015)</b>	<b>1,225,168</b>	<b>(3,436,115)</b>	<b>1,552,139</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,958,247</b>	<b>\$ 2,055,722</b>	<b>\$ 1,332,393</b>	<b>\$ 7,127,712</b>	<b>\$ 1,897,414</b>	<b>\$ 15,371,488</b>	<b>\$ 13,304,480</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET WITH THE STATEMENT OF NET POSITION  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
Total Fund Balance – Governmental Funds	\$ (3,436,115)	\$ 1,552,139
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2024 are \$140,017,881 and \$74,154,624 respectively.</p>		
	65,863,257	58,673,394
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Serial Bonds	(5,779,500)	
Installment Debt	(397,756)	
Compensated Absences	(82,806)	
Judgments And Claims	<u>191,326</u>	
	(6,068,736)	(6,137,138)
<p>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.</p>		
Deferred Outflows of Resources	1,432,447	
Deferred Inflows of Resources	(779,615)	
Net Pension Liability	<u>(1,467,561)</u>	
	(814,729)	(621,714)
<p>Long term asset and liabilities associated with OPEB are not current financial resources or obligations and are not reported in the government funds.</p>		
Deferred Outflows of Resources	1,818,745	
Deferred Inflows of Resources	(4,520,067)	
Total OPEB Liability	<u>(6,865,201)</u>	
	(9,566,523)	(9,265,852)
<p>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.</p>		
	<u>(256,993)</u>	<u>(138,906)</u>
Net Position Of Governmental Activities	<u>\$ 45,720,161</u>	<u>\$ 44,061,923</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	GENERAL TOWN-WIDE	GENERAL TOWN- OUTSIDE	HIGHWAY PART-TOWN	CAPITAL PROJECTS	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2023 TOTALS
<b>REVENUES</b>							
Real Property Taxes	\$ 2,573,415	\$ -	\$ 3,478,858	\$ -	\$ 1,128,621	\$ 7,180,894	\$ 6,872,068
Other Tax Items	66,694	-	-	-	-	66,694	65,194
Non-Property Tax Items	-	455,421	-	-	-	455,421	465,285
Departmental Income	415,157	11,259	-	-	479,832	906,248	967,873
Intergovernmental Charges	38,059	-	-	-	554,193	592,252	521,624
Use of Money and Property	104,117	18,875	39,511	36,700	16,747	215,950	74,779
Licenses and Permits	3,274	133,834	-	-	-	137,108	118,050
Fines and Forfeitures	189,096	1,050	-	-	-	190,146	240,907
Sale of Property and Compensation For Loss	232	-	36,307	-	5,134	41,673	24,260
Miscellaneous Local Sources	217,249	-	-	3,053,841	-	3,271,090	2,349,377
State Aid	589,686	7,849	1,028,097	62,454	-	1,688,086	1,116,820
Federal Aid	638,028	-	-	978,171	-	1,616,199	1,383,968
<b>TOTAL REVENUES</b>	<b>4,835,007</b>	<b>628,288</b>	<b>4,582,773</b>	<b>4,131,166</b>	<b>2,184,527</b>	<b>16,361,761</b>	<b>14,200,205</b>
<b>EXPENDITURES</b>							
General Government Support	1,852,661	30,974	59,652	-	48,085	1,991,372	1,945,655
Public Safety	33,682	224,686	-	-	-	258,368	284,257
Health	5,076	-	-	-	402,778	407,854	318,244
Transportation	226,891	-	3,738,448	-	97,091	4,062,430	3,595,040
Economic Assistance and Opportunity	6,500	-	-	-	-	6,500	6,780
Culture and Recreation	779,864	6,000	-	-	91,000	876,864	982,045
Home and Community Services	524,511	35,875	-	-	1,198,812	1,759,198	1,544,013
Employee Benefits	730,874	142,356	797,716	-	235,694	1,906,640	1,839,856
Debt Service:							
Principal	-	-	179,691	-	345,000	524,691	528,026
Interest	341,190	-	2,418	-	53,881	397,489	49,588
Capital Outlay	-	-	-	9,804,965	-	9,804,965	8,338,418
<b>TOTAL EXPENDITURES</b>	<b>4,501,249</b>	<b>439,891</b>	<b>4,777,925</b>	<b>9,804,965</b>	<b>2,472,341</b>	<b>21,996,371</b>	<b>19,431,922</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND EXPENDITURES</b>	<b>333,758</b>	<b>188,397</b>	<b>(195,152)</b>	<b>(5,673,799)</b>	<b>(287,814)</b>	<b>(5,634,610)</b>	<b>(5,231,717)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>							
Operating Transfer In	-	-	-	1,030,928	-	1,030,928	74,145
Premiums on Obligation	-	-	-	62,136	-	62,136	32,694
Proceeds of Installment Debt	-	-	-	547,526	-	547,526	-
Operating Transfer Out	(1,030,928)	-	-	-	-	(1,030,928)	(74,145)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(697,170)</b>	<b>188,397</b>	<b>(195,152)</b>	<b>(4,033,209)</b>	<b>(287,814)</b>	<b>(5,024,948)</b>	<b>(5,199,023)</b>
FUND BALANCE - Beginning of Year (Restated)	3,161,462	1,345,571	1,304,624	(5,735,806)	1,512,982	1,588,833	6,751,162
FUND BALANCE - End of Year	\$ 2,464,292	\$ 1,533,968	\$ 1,109,472	\$ (9,769,015)	\$ 1,225,168	\$ (3,436,115)	\$ 1,552,139

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (5,024,948)	\$ (5,199,023)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Net Book Value of Sold Assets	-	
Depreciation Expenses	(2,955,871)	
Capital Outlay	<u>10,145,734</u>	7,189,863
		6,125,542
<p>Proceeds from long term debt are reported as revenues in the governmental funds. In the statement of activities, the proceeds are reported as a liability</p>		
Installment Debt	(547,526)	-
<p>Repayment of principal on bonds and other long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Serial Bonds	345,000	
Installment Debt	<u>179,692</u>	524,692
		528,026
<p>In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
Current Year Accrued Interest	(256,993)	
Prior Year Accrued Interest	<u>138,906</u>	(118,087)
		(134,694)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

(CARRIED FORWARD)

		<u>2024</u>	<u>2023</u>
<p>(Increases) decreases in proportionate share of net pension accruals reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>			
Net Pension Liability	655,331		
Deferred Inflows of Resources	(653,577)		
Deferred Outflows of Resources	<u>(194,769)</u>	(193,015)	(412,791)
<p>(Increases) decreases in the OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>			
Deferred Outflows of Resources	(615,201)		
Deferred Inflows of Resources	531,727		
Total OPEB Liability	<u>(217,197)</u>	(300,671)	(217,848)
<p>In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).</p>			
Compensated Absences	7,155		
Judgments and Claims	<u>84,081</u>	<u>91,236</u>	<u>125,137</u>
Change in Net Position of Governmental Activities		<u>\$1,621,544</u>	<u>\$ 814,349</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2024

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

		<u>GREATER WAWARSING LOCAL DEVELOPMENT CORP.</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$	123,875
Cash - Restricted		210,398
Accounts Receivable		1,036
Prepaid Expenses		1,367
Current Portion of Mortgage and Notes Receivable - Restricted		<u>8,756</u>
 Total Current Assets		 <u>345,432</u>
Non-Current Assets:		
Mortgage and Notes Receivable, net of Current - Restricted		-
Other Assets		<u>1,110</u>
 Total Non-Current Assets		 <u>1,110</u>
 TOTAL ASSETS		 <u>346,542</u>
 <b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		<u>5,180</u>
 Total Current Liabilities		 <u>5,180</u>
 TOTAL LIABILITIES		 <u>5,180</u>
 <b>NET POSITION</b>		
Restricted		219,154
Unrestricted		<u>122,208</u>
 TOTAL NET POSITION	 \$	 <u><u>341,362</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>GREATER WAWARSING LOCAL DEVELOPMENT CORP.</u>
OPERATING REVENUES	
Interest on Mortgages and Notes	448
TOTAL OPERATING REVENUES	448
OPERATING EXPENSES	
General Government Support	7,141
TOTAL OPERATING EXPENSES	7,141
OPERATING INCOME	(6,693)
NON-OPERATING REVENUES(EXPENSES)	
Interest On Investments	312
TOTAL NON-OPERATING REVENUES (EXPENSES)	312
CHANGE IN NET POSITION	(6,381)
NET POSITION- Beginning	347,743
NET POSITION- Ending	\$ 341,362

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>GREATER WAWARSING_LOCAL DEVELOPMENT CORP.</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Interest Receipts From Mortgages and Notes	\$ 447
Principal Receipts From Mortgages and Notes	11,373
Payments For Contractual And Personal Services	<u>(6,723)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,097</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Cash From Sale of Assets	204
Interest On Cash And Cash Equivalents	<u>312</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>516</u>
NET INCREASE IN CASH AND EQUIVALENTS	5,613
CASH AND EQUIVALENTS- Beginning	<u>328,660</u>
CASH AND EQUIVALENTS- Ending	<u>\$ 334,273</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (6,693)
(Increase) Decrease In Notes Receivable	11,373
(Increase) Decrease In Prepaid Expenses	(13)
Increase (Decrease) In Accounts Payable	<u>430</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,097</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2024

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

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2024

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Taxes Collected For Other Governments	\$ 1,962,183
Fines Collected For Other Governments	<u>31,442</u>
TOTAL ADDITIONS	<u>1,993,625</u>
DEDUCTIONS	
Taxes Paid To Other Governments	1,962,183
Fines Paid To Other Governments	<u>31,442</u>
TOTAL DEDUCTIONS	<u>1,993,625</u>
Change in Net Position	-
NET POSITION - Beginning Of Year	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of (a) the primary government which is the Town of Wawarsing, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement Number 61.

Greater Wawarsing Local Development Corporation

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Basis of Presentation**

1. Town-wide statements:

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

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

2. Fund financial statements:

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

The Town reports the following major Governmental Funds:

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

- i. Sewer District

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

The Town reports the following non-major Governmental Funds:

- a. Special Revenue Funds

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

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following non-major Proprietary Fund:

a. Enterprise Fund

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

Additionally, the Town reports the following fund type:

a. Fiduciary Fund

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

C. Basis of Accounting/Measurement Focus

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

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Property Taxes**

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

**E. Budget Policies**

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**F. Encumbrances**

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

**G. Compensated Absences**

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

Consistent with GASB Statement 101, Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

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

**H. Insurance**

The Town of Wawarsing participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Town's estimated share of the liability for unbilled and open claims at December 31, 2024 was a negative \$191,326.

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**I. Post Employment Benefits**

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

**J. Cash and Cash Equivalents**

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

For the purpose of presenting the Statement of Cash Flows, the Greater Wawarsing Local Development Corporation considers all demand deposits, time and savings accounts, and certificates of deposit with an original maturity of three months or less to be cash or cash equivalents.

**K. Accounts Receivable**

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

**L. Capital Assets**

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Order of Use of Net Position:

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

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town reported non-spendable fund balances of \$118,425 for prepaid retirement system payments and \$487,082 for non-current receivables as of December 31, 2024.

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Town of Wawarsing

Capital

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

Greater Wawarsing Local Development Corporation

Health Match Contributions	\$ 104,097
Revolving Loans	<u>115,057</u>
	<u>\$ 219,154</u>

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town’s highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balances as of December 31, 2024.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance. The Town has no assigned fund balance as of December 31, 2024.

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Order of Use of Fund Balance:

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

**O. Use of Estimates**

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

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Town contributions to the pension systems and OPEB liability subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. The Town reports \$1,432,447 in deferred outflows of resources related to pensions and \$1,818,745 in deferred outflows of resources related to the total OPEB liability as of December 31, 2024.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two item that qualifies for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to OPEB reporting in the district-wide Statement of Net Position.

The Town reports \$779,615 in deferred inflows of resources related to pensions and \$4,520,067 in deferred inflows of resources related to the total OPEB liability as of December 31, 2024.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$652,832 to unrestricted net position as of December 31, 2024.

The reporting of deferred outflows of resources and deferred inflows of resources related to the total OPEB liability resulted in a net decrease of \$2,701,322 to unrestricted net position as of December 31, 2024.

**Q. New Accounting Standards**

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2024 the Town implemented the following new standards:

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

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*

GASB 101 – *Compensated Absences*

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**R. Future Accounting Standards**

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

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

GASB 103 – *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026.

GASB 104 – *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026

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

**S. Operating Revenues of Proprietary Funds**

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

**T. Revolving Loan Fund**

The Corporation operates a revolving loan fund where loans are made in the form of notes and mortgages. The Corporation reviews the outstanding notes and mortgage receivable based on past history and communication with debtors in order to determine collectability. An allowance for doubtful accounts is recorded when management determines that collectability is questionable. There was no allowance for doubtful accounts as of December 31, 2024.

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Deficit Fund Balance

The Capital Projects Fund had deficit unassigned fund balances totaling \$9,813,944 at December 31, 2024. The deficits were caused by expenditures in excess of available financing and were funded with loans from the respective funds benefiting from the projects, and the accounting treatment of short term debt. The deficits will be eliminated when permanent financing for the projects is put in place.

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

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

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

1. Long-term revenue and expenditure differences:

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

2. Capital related differences:

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

3. Long-term debt transaction differences:

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2024 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 1,260,593	\$ -	\$ -	\$ 1,260,593
Construction In Progress	<u>26,113,773</u>	<u>9,068,905</u>	<u>32,612,616</u>	<u>2,570,062</u>
Total non-depreciable historical cost	<u>27,374,366</u>	<u>9,068,905</u>	<u>32,612,616</u>	<u>3,830,655</u>
Capital assets that are depreciated:				
Building and Improvements	9,051,762	10,659,327	-	19,711,089
Machinery and Equipment	7,847,063	798,996	-	8,646,059
Infrastructure	<u>85,598,956</u>	<u>22,231,122</u>	<u>-</u>	<u>107,830,078</u>
Total depreciable historical cost	<u>102,497,781</u>	<u>33,689,445</u>	<u>-</u>	<u>136,187,226</u>
Less accumulated depreciation:				
Building and Improvements	6,225,344	513,517	-	6,738,861
Machinery and Equipment	4,951,130	556,409	-	5,507,539
Infrastructure	<u>60,022,279</u>	<u>1,886,305</u>	<u>-</u>	<u>61,908,584</u>
Total Accumulated Depreciation	<u>71,198,753</u>	<u>2,955,871</u>	<u>-</u>	<u>74,154,624</u>
Total historical cost, net	<u>\$ 58,673,394</u>	<u>\$ 39,802,479</u>	<u>\$ 32,612,616</u>	<u>\$ 65,863,257</u>

Depreciation has been allocated to governmental functions as follows:

General Government Support	\$ 171,315
Public Safety	3,854
Transportation	1,818,655
Culture & Recreation	22,135
Home & Community Services	<u>939,912</u>
	<u>\$ 2,955,871</u>

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 5 – CASH AND INVESTMENTS

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

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and their municipalities and schools. The Town’s aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the  
 pledging financial institution, or its trust  
 department, but not in the Town’s name. \$ 7,642,817

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2024 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund – Town-Wide	\$ 2,029,296	\$ -	\$ -	\$ 1,030,928
Highway Fund – Part-Town	-	16,046	-	-
Sewer Fund	4,568	47,844	-	-
Water Fund	7,947	265,380	-	-
Capital Projects Fund	-	1,413,868	1,030,928	-
Lighting Fund	<u>-</u>	<u>298,673</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>2,041,811</u>	<u>2,041,811</u>	<u>1,030,928</u>	<u>1,030,928</u>
TOTALS	<u>\$ 2,041,811</u>	<u>\$ 2,041,811</u>	<u>\$ 1,030,928</u>	<u>\$ 1,030,928</u>

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

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

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

NOTE 7 - LIABILITIES

1. **Long-Term Debt**

Serial Bonds

The Town of Wawarsing, New York borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt

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

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

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

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – LIABILITIES (continued)

Long-Term Debt Interest

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

Interest Paid	\$ 56,299
Less: Interest Accrued In Prior Year	(3,928)
Plus: Interest Accrued In Current Year	<u>26,890</u>
 TOTAL EXPENSE	 <u>\$ 79,261</u>

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2024.

	<u>BALANCE</u> <u>01/01/24</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/24</u>	<u>AMOUNTS DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
Serial Bonds –					
Direct Placement	\$ 6,124,500	\$ -	\$ 345,000	\$ 5,779,500	\$ 325,000
Installment Purchase Debt –					
Direct Borrowing	29,922	547,526	179,692	397,756	124,512
Compensated Absences	89,961	-	7,155	82,806	-
Judgments and Claims	(107,245)	-	84,081	(191,326)	-
Total OPEB Liability	<u>6,648,004</u>	<u>675,477</u>	<u>458,280</u>	<u>6,865,201</u>	<u>80,000</u>
	<u>\$ 12,758,142</u>	<u>\$ 1,223,003</u>	<u>\$ 1,074,208</u>	<u>\$ 12,933,937</u>	<u>\$ 529,512</u>

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

Long-Term Debt Maturity Schedule

The following is a statement of outstanding bonds at December 31, 2024:

<u>PURPOSE</u>	<u>MATURITY</u>	<u>RATE</u>	<u>OUTSTANDING</u>
Napanoch Water	2036	0%	\$ 2,810,000
Kerhonkson Sewer	2046	2.25%	649,500
Kerhonkson Water	2054	1.50%	1,590,000
Kerhonkson Water	2054	1.125%	<u>730,000</u>
			<u>\$ 5,779,500</u>

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – LIABILITIES (Continued)

The following is a statement of outstanding installment purchase debt at December 31, 2024:

<u>PURPOSE</u>	<u>MATURITY</u>	<u>RATE</u>	<u>OUTSTANDING</u>
Highway Equipment	2027	5.83%	\$ 198,878
Highway Equipment	2027	5.83%	<u>198,878</u>
			<u>\$ 397,756</u>

The following totals summarize the Town’s future debt service requirements as of December 31, 2024:

<u>YEAR ENDED</u> <u>DECEMBER 31,</u>	<u>DIRECT BORROWING AND</u> <u>DIRECT PLACEMENTS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2025	\$ 449,512	\$ 71,522
2026	462,418	62,079
2027	470,826	52,093
2028	330,000	41,576
2029	330,000	40,002
2030-2034	1,670,000	176,120
2035-2039	985,000	134,054
2040-2044	550,000	90,460
2045-2049	464,500	48,563
2050-2054	<u>465,000</u>	<u>16,340</u>
	<u>\$ 6,177,256</u>	<u>\$ 732,809</u>

2. **Pension Plan**

Plan Description

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

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

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 7 – LIABILITIES (Continued)

Funding Policy

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

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

	<u>ERS</u>
2024	\$ 462,311
2023	421,954
2022	428,979

**3. Short-Term Debt**

Bond Anticipation Notes

Bond anticipation notes (BAN) are issued for capital purposes in anticipation of long term financing to be issued at a later date.

Revenue Anticipation Notes

Revenue anticipation notes (RAN) are issued in anticipation of revenues to be received at a later date.

The Town has the following short term debt outstanding as of December 31, 2024:

<u>CAPITAL PROJECTS FUND</u>	<u>INTEREST RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Highway Barn - BAN	4.50%	\$ 7,200,000	\$ 9,100,000	\$ 7,200,000	\$ 9,100,000
Wawarsing Water - RAN	4.25%	-	5,600,000	-	5,600,000
		<u>\$ 7,200,000</u>	<u>\$ 14,700,000</u>	<u>\$ 7,200,000</u>	<u>\$ 14,700,000</u>

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 7 – LIABILITIES (Continued)

Short-Term Debt Interest

Interest expense on short term debt consisted of the following:

Interest Paid	\$ 341,190
Less: Interest Accrued in Prior Year	(134,978)
Plus: Interest Accrued in Current Year	<u>230,103</u>
 Total Expense	 <u>\$ 436,315</u>

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

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

**General Information about the OPEB Plan**

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

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

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

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

**Total OPEB Liability**

The Town’s total OPEB liability of \$6,865,201 was measured as of December 31, 2024, using an actuarial valuation as of January 1, 2023.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	December 31, 2024
Discount Rate	4.28%
Inflation	2.70%
Initial Healthcare Cost Trend Rate	5.94%
Ultimate Healthcare Cost Trend Rate	4.14%

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

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

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

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

**Changes in the Total OPEB Liability**

Balance at December 31, 2023		\$ 6,648,004
Changes for the Year -		
Service Cost	395,328	
Interest	280,149	
Changes of Benefit Terms	-	
Difference between expended and actual experience	(46,082)	
Changes in assumptions or other inputs	(332,207)	
Benefit Payments	<u>(79,991)</u>	
Net Changes		<u>(217,197)</u>
Balance at December 31, 2024		<u>\$ 6,865,201</u>

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

**NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 – percentage point higher than the current discount rate:

	<u>1% Decrease</u> <u>(5.28%)</u>	<u>Current</u> <u>Assumption</u> <u>(4.28%)</u>	<u>1% Increase</u> <u>(3.28%)</u>
Total OPEB Liability	\$ <u>8,157,935</u>	\$ <u>6,865,201</u>	\$ <u>5,836,931</u>

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

	<u>1% Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>5,588,174</u>	\$ <u>6,865,201</u>	\$ <u>8,554,215</u>

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

For the year ended December 31, 2024, the Town recognized OPEB expense of \$380,662. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 8 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,717,771)
Changes of assumptions or other inputs	<u>1,818,745</u>	<u>(2,802,296)</u>
Total	<u>\$ 1,818,745</u>	<u>\$ (4,520,067)</u>

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

2025	\$ (294,815)
2026	(225,765)
2027	(460,594)
2028	(460,598)
2029	(483,796)
Thereafter	<u>(775,754)</u>
TOTAL	<u>\$ (2,701,322)</u>

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

Pension Plan Descriptions and Benefits Provided

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

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

At December 31, 2024, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2024 . The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town’s proportion of the net pension asset/(liability) was based on a projection of the Town’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Town.

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

	<u>ERS</u>
Actuarial valuation date	April 1, 2023
Net pension asset/(liability)	\$ (1,467,561)
Town’s portion of the Plan’s total net pension asset/(liability)	0.0099671%

For the year ended December 31, 2024, the Town recognized pension expense of \$633,016. At December 31, 2024, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 472,700	\$ 40,017
Changes of assumptions	554,852	-
Net difference between projected and actual earnings on pension plan investments	-	716,896
Changes in proportion and differences between the Town’s contributions and proportionate share of contributions	48,289	22,702
Town’s contributions subsequent to the measurement date	<u>356,606</u>	<u>-</u>
Total	<u>\$ 1,432,447</u>	<u>\$ 779,615</u>

Town contributions subsequent to the measurement date of \$356,606 will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
2025	\$ (272,766)
2026	290,218
2027	433,530
2028	(154,756)
2029	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 296,226</u>

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

Actuarial Assumptions

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

	<u>ERS</u>	
	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2024	March 31, 2023
Actuarial valuation date	April 1, 2023	April 1, 2022
Interest rate	5.9%	5.9%
Salary scale	4.4%	4.4%
Cost of Living Adjustments	1.5%	1.5%
Inflation rate	2.9%	2.9%

The annuitant mortality rates are based on April 1, 2015-March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

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

	<u>ERS</u>
Measurement date	March 31, 2024
Asset Type:	
Domestic Equity	4.00%
International Equity	6.65%
Private Equity	7.25%
Real Estate	4.60%
Opportunistic/Absolute Return Strategy	5.25%
Credit	5.40%
Real Assets	5.79%
Fixed Income	1.50%
Cash	0.25%

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

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

Discount Rate

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

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

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

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer’s proportionate share of the net pension asset (liability)	<u>\$ (4,614,162)</u>	<u>\$ (1,467,561)</u>	<u>\$ 1,160,504</u>

Pension Plan Fiduciary Net Position

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

	<u>ERS (in thousands)</u>
Valuation date	April 1, 2023
Employers’ total pension liability	\$ (240,696,851)
Plan Net Position	<u>225,972,801</u>
Employer’s net pension asset/(liability)	<u>\$ (14,724,050)</u>
Proportion of plan net position to the Employer’s total pension asset/(liability)	93.88%

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31 represent the projected employer contribution for the period of April 1 through December 31 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. The Town had no accrued retirement contributions as of December 31, 2024.

NOTE 10 - CONTINGENCIES

FEDERAL AND NEW YORK STATE GRANTS

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

LITIGATION

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

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 65,863,257
Less: Bonds Payable	(5,779,500)
Installment Debt Payable	(397,756)
Bond Anticipation Notes Payable	(9,100,000)
Revenue Anticipation Notes Payable	(5,600,000)
Plus: Unspent Debt Proceeds	<u>5,600,000</u>
Net Investment in Capital Assets	<u>\$ 50,586,001</u>

TOWN OF WAWARSING, NEW YORK  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

NOTE 12 – RELATED PARTY TRANSACTIONS

For the year ended December 31, 2024, Greater Wawarsing Local Development Corp paid insurance expense of \$2,181 to Sprague & Killeen, Inc. The Board President of the Greater Wawarsing Local Development Corporation is also the President of the insurance agency.

NOTE 13 – MORTGAGE AND NOTES RECEIVABLE

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

The total amount receivable is as follows:

	<u>BALANCE</u> <u>01/01/24</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/24</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
Gamex, LLC	\$ <u>20,129</u>	\$ <u>-</u>	\$ <u>11,373</u>	\$ <u>8,756</u>	\$ <u>8,756</u>

NOTE 14 - OTHER ASSETS

Other Assets represent knife inventory and fixtures obtained in relation to promoting a local business, “Canal Street Knife Works”. This venture was to bring more jobs to the area. However, the business did not develop as planned and the Corporation retained possession of the knife inventory and fixtures purchased by the business. Beginning in 2019, assets were sold through an agreement with a local museum and the Corporation. In 2020 the Corporation reaffirmed its agreement with the local museum to retain the knife inventory in their possession for sale in their shop with certain items to be displayed for the foreseeable future. The Corporation recognized no revenue from sales of assets for the year ended December 31, 2024, and the remaining knife inventory has an estimated net realizable value of \$1,110 at December 31, 2024.

NOTE 15 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2024 and September 25, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

TOWN OF WAWARSING, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 16 – RESTATED BALANCES

The beginning fund balance in the General A Fund has been increased by \$30,860 to account for ARPA revenues earned in previous years, and the beginning fund balance in the Napanoch Water District has been increased by \$5,834 to account for understated receivables in the prior year.

The beginning balance adjustment of \$36,694 is applicable to both the governmental fund financial statements and the beginning net position in the statement of activities.

The changes from the originally reported amounts at December 31, 2023 are as follows:

Account	Original Balance	Restated Balance	Increase/(Decrease)
General Fund – Due From Other Funds	1,579,255	1,610,115	30,860
General Fund Balance	3,130,602	3,161,462	30,860
Napanoch Water Rents Receivable	93,223	99,057	5,834
Napanoch Water Fund Balance	216,410	222,244	5,834

TOWN OF WAWARSING, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND - TOWN-WIDE  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 ACTUAL
<b>REVENUES</b>					
Real Property Taxes	\$ 2,573,415	\$ 2,573,415	\$ 2,573,415	\$ -	\$ 2,573,415
Other Tax Items	100,000	100,000	66,694	(33,306)	65,194
Departmental Income	329,000	329,000	415,157	86,157	397,092
Intergovernmental Charges	30,000	30,000	38,059	8,059	22,000
Use of Money and Property	107,000	107,000	104,117	(2,883)	41,157
Licenses and Permits	2,500	2,500	3,274	774	6,588
Fines and Forfeitures	180,000	180,000	189,096	9,096	239,857
Sale of Property and Compensation For Loss	1,000	1,000	232	(768)	287
Miscellaneous Local Sources	145,000	100,000	217,249	117,249	176,804
State Aid	178,500	514,690	589,686	74,996	307,915
Federal Aid	100,000	630,928	638,028	7,100	101,183
<b>TOTAL REVENUES</b>	<u>3,746,415</u>	<u>4,568,533</u>	<u>4,835,007</u>	<u>266,474</u>	<u>3,931,492</u>
<b>EXPENDITURES</b>					
General Government Support	1,738,053	1,861,053	1,852,661	8,392	1,825,367
Public Safety	38,750	38,750	33,682	5,068	33,767
Health	7,500	7,500	5,076	2,424	4,319
Transportation	253,600	261,600	226,891	34,709	234,474
Economic Assistance and Opportunity	500	6,500	6,500	-	6,780
Culture and Recreation	818,400	818,400	779,864	38,536	971,272
Home and Community Services	388,300	526,800	524,511	2,289	396,797
Employee Benefits	818,567	823,067	730,874	92,193	709,518
Debt Service:					
Interest	324,000	341,190	341,190	-	-
<b>TOTAL EXPENDITURES</b>	<u>4,387,670</u>	<u>4,684,860</u>	<u>4,501,249</u>	<u>183,611</u>	<u>4,182,294</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(641,255)	(116,327)	333,758	450,085	(250,802)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfer Out	-	(1,030,928)	(1,030,928)	-	-
<b>NET CHANGE IN FUND BALANCE</b>	(641,255)	(1,147,255)	(697,170)	450,085	(250,802)
<b>FUND BALANCE - Beginning of Year (Restated)</b>	<u>641,255</u>	<u>1,147,255</u>	<u>3,161,462</u>	<u>2,014,207</u>	<u>3,381,404</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,464,292</u>	<u>\$ 2,464,292</u>	<u>\$ 3,130,602</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND - TOWN-OUTSIDE  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
<b>REVENUES</b>					
Non-Property Tax Items	\$ 350,000	\$ 350,000	\$ 455,421	\$ 105,421	\$ 465,285
Departmental Income	20,500	20,500	11,259	(9,241)	28,827
Use of Money and Property	300	300	18,875	18,575	8,740
Licenses and Permits	120,000	120,000	133,834	13,834	111,462
Fines and Forfeitures	-	-	1,050	1,050	1,050
State Aid	-	-	7,849	7,849	-
	<u>490,800</u>	<u>490,800</u>	<u>628,288</u>	<u>137,488</u>	<u>615,364</u>
<b>EXPENDITURES</b>					
General Government Support	52,574	46,974	30,974	16,000	23,725
Public Safety	258,350	263,950	224,686	39,264	250,490
Culture and Recreation	14,000	14,000	6,000	8,000	10,773
Home and Community Services	65,035	65,035	35,875	29,160	50,683
Employee Benefits	164,810	164,810	142,356	22,454	139,598
	<u>554,769</u>	<u>554,769</u>	<u>439,891</u>	<u>114,878</u>	<u>475,269</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(63,969)	(63,969)	188,397	252,366	140,095
<b>FUND BALANCE - Beginning of Year</b>	<u>63,969</u>	<u>63,969</u>	<u>1,345,571</u>	<u>1,281,602</u>	<u>1,205,476</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,533,968</u>	<u>\$ 1,533,968</u>	<u>\$ 1,345,571</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
HIGHWAY FUND - PART-TOWN  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 ACTUAL
REVENUES					
Real Property Taxes	\$ 3,478,858	\$ 3,478,858	\$ 3,478,858	\$ -	\$ 3,478,858
Use of Money and Property	72,000	72,000	39,511	(32,489)	4,409
Sale of Property and Compensation For Loss	13,000	13,000	36,307	23,307	20,703
State Aid	<u>565,000</u>	<u>1,035,000</u>	<u>1,028,097</u>	<u>(6,903)</u>	<u>783,416</u>
 TOTAL REVENUES	 <u>4,128,858</u>	 <u>4,598,858</u>	 <u>4,582,773</u>	 <u>(16,085)</u>	 <u>4,287,386</u>
EXPENDITURES					
General Government Support	61,000	61,000	59,652	1,348	55,212
Transportation	3,486,964	3,792,195	3,738,448	53,747	3,277,691
Employee Benefits	776,346	787,846	797,716	(9,870)	778,585
Debt Service:					
Principal	40,500	193,769	179,691	14,078	223,026
Interest	<u>1,000</u>	<u>1,000</u>	<u>2,418</u>	<u>(1,418)</u>	<u>6,205</u>
 TOTAL EXPENDITURES	 <u>4,365,810</u>	 <u>4,835,810</u>	 <u>4,777,925</u>	 <u>57,885</u>	 <u>4,340,719</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (236,952)	 (236,952)	 (195,152)	 41,800	 (53,333)
 FUND BALANCE - Beginning of Year	 <u>236,952</u>	 <u>236,952</u>	 <u>1,304,624</u>	 <u>1,067,672</u>	 <u>1,357,957</u>
 FUND BALANCE - End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,109,472</u>	 <u>\$ 1,109,472</u>	 <u>\$ 1,304,624</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 395,328	\$ 313,485	\$ 592,428	\$ 553,769	\$ 480,906	\$ 272,467	\$ 320,770
Interest	280,149	319,691	218,105	210,097	247,353	260,662	222,121
Changes of benefit terms		-	-	(523,712)	-	-	-
Differences between expected and actual experience and changes of assumptions	(46,082)	(1,201,183)	(21,841)	(194,415)	(771,228)	(1,106,827)	-
Changes of assumptions or other inputs	(332,207)	192,070	(3,579,892)	791,565	980,042	3,176,112	(766,885)
Benefit payments	<u>(79,991)</u>	<u>(158,342)</u>	<u>(145,995)</u>	<u>(147,790)</u>	<u>(106,646)</u>	<u>(143,661)</u>	<u>(184,462)</u>
Net Changes	217,197	(534,279)	(2,937,200)	689,514	830,427	2,458,753	(408,456)
Beginning Total OPEB Liability	<u>\$ 6,648,004</u>	<u>7,182,283</u>	<u>10,119,483</u>	<u>9,429,969</u>	<u>8,599,542</u>	<u>6,140,789</u>	<u>6,549,245</u>
Ending Total OPEB Liability	<u>\$ 6,865,201</u>	<u>\$ 6,648,004</u>	<u>\$ 7,182,283</u>	<u>\$ 10,119,483</u>	<u>\$ 9,429,969</u>	<u>\$ 8,599,542</u>	<u>\$ 6,140,789</u>
Covered Employee Payroll	<u>\$ 3,507,832</u>	<u>\$ 3,361,565</u>	<u>\$ 3,419,876</u>	<u>\$ 3,020,415</u>	<u>\$ 3,221,823</u>	<u>\$ 2,824,328</u>	<u>\$ 2,759,820</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	195.7%	197.8%	210.0%	335.0%	292.7%	304.50%	222.51%

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

TOWN OF WAWARSING, NEW YORK  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The discount rate used in the GASB 75 calculation increased from 4.00% at the December 31, 2023 measurement date to 4.28% at the December 31, 2024 measurement date.

Trust Assets

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

TOWN OF WAWARSING, NEW YORK  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
 YEAR ENDED DECEMBER 31, 2024

ERS System - Liability

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0099671%	0.0098997%	0.0091834%	0.0092816%	0.0100701%	0.0100636%	0.0104857%	0.0103740%	0.0102258%	0.0101818%
The Town's proportionate share of the net pension asset (liability)	(1,467,561)	(2,122,892)	750,702	\$ (9,242)	\$ (2,666,616)	\$ ( 713,037)	\$ (338,420)	\$ (974,763)	\$ (1,641,275)	\$ (343,966)
The Town's covered employee payroll	3,410,636	3,228,504	2,937,210	2,952,984	2,925,579	2,907,343	2,775,159	2,629,822	2,492,989	2,549,870
The Town's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	43.03%	64.55%	25.56%	0.33%	91.15%	24.53%	12.19%	37.07%	65.84%	13.49%
Plan Fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.90%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
 YEAR ENDED DECEMBER 31, 2024

ERS System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 462,311	\$ 421,954	\$ 428,979	\$ 452,388	\$ 435,430	\$ 434,837	\$ 440,469	\$ 443,316	\$ 447,792	\$ 490,810
Contribution in relation to the contractually required contribution	<u>462,311</u>	<u>421,954</u>	<u>428,979</u>	<u>452,388</u>	<u>435,430</u>	<u>434,837</u>	<u>440,469</u>	<u>443,316</u>	<u>447,792</u>	<u>490,810</u>
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	13.55%	13.07%	14.60%	16.07%	14.75%	14.86%	15.15%	15.97%	17.03%	19.69%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2024

	<u>SEWER</u>	<u>WATER</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>LIGHTING</u>	<u>LIBRARY</u>	<u>AMBULANCE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>							
Cash	\$ 207,704	\$ 316,653	\$ 74,240	\$ 301,442	\$ -	\$ -	\$ 900,039
Cash - Restricted	322,070	68,752	-	-	-	-	390,822
Rents Receivable	53,208	183,589	-	-	-	-	236,797
Due From Other Funds	4,568	7,947	-	-	-	-	12,515
Due From State and Federal	345,341	-	-	-	-	-	345,341
Prepaid Expenditures	<u>9,400</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,900</u>
<b>TOTAL ASSETS</b>	<u>\$ 942,291</u>	<u>\$ 579,441</u>	<u>\$ 74,240</u>	<u>\$ 301,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,414</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 36,678	\$ 685	\$ -	\$ -	\$ -	\$ -	\$ 37,363
Accrued Liabilities	14,069	8,917	-	-	-	-	22,986
Due To Other Funds	<u>47,844</u>	<u>265,380</u>	<u>-</u>	<u>298,673</u>	<u>-</u>	<u>-</u>	<u>611,897</u>
<b>TOTAL LIABILITIES</b>	<u>98,591</u>	<u>274,982</u>	<u>-</u>	<u>298,673</u>	<u>-</u>	<u>-</u>	<u>672,246</u>
<b>FUND BALANCES</b>							
Non-spendable:							
Prepaid Items	9,400	2,500	-	-	-	-	11,900
Restricted:							
Capital	322,070	68,752	-	-	-	-	390,822
Assigned:							
Appropriated	71,910	73,156	-	-	-	-	145,066
Unappropriated	<u>440,320</u>	<u>160,051</u>	<u>74,240</u>	<u>2,769</u>	<u>-</u>	<u>-</u>	<u>677,380</u>
<b>TOTAL FUND BALANCES</b>	<u>843,700</u>	<u>304,459</u>	<u>74,240</u>	<u>2,769</u>	<u>-</u>	<u>-</u>	<u>1,225,168</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 942,291</u>	<u>\$ 579,441</u>	<u>\$ 74,240</u>	<u>\$ 301,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,414</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2024

	<u>SEWER</u>	<u>WATER</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>LIGHTING</u>	<u>LIBRARY</u>	<u>AMBULANCE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES							
Real Property Taxes	\$ 136,155	\$ 420,688	\$ -	\$ 78,000	\$ 91,000	\$ 402,778	\$ 1,128,621
Departmental Income	127,316	352,516	-	-	-	-	479,832
Intergovernmental Charges	554,193	-	-	-	-	-	554,193
Use of Money and Property	4,885	5,009	76	6,777	-	-	16,747
Sale of Property and Compensation For Loss	1,182	3,952	-	-	-	-	5,134
							-
TOTAL REVENUES	<u>823,731</u>	<u>782,165</u>	<u>76</u>	<u>84,777</u>	<u>91,000</u>	<u>402,778</u>	<u>2,184,527</u>
EXPENDITURES							
General Government Support	46,763	1,322	-	-	-	-	48,085
Health	-	-	-	-	-	402,778	402,778
Transportation	-	-	-	97,091	-	-	97,091
Culture and Recreation	-	-	-	-	91,000	-	91,000
Home and Community Services	762,024	436,788	-	-	-	-	1,198,812
Employee Benefits	144,433	91,261	-	-	-	-	235,694
Debt Service:							
Principal	30,000	315,000	-	-	-	-	345,000
Interest	20,768	33,113	-	-	-	-	53,881
TOTAL EXPENDITURES	<u>1,003,988</u>	<u>877,484</u>	<u>-</u>	<u>97,091</u>	<u>91,000</u>	<u>402,778</u>	<u>2,472,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(180,257)	(95,319)	76	(12,314)	-	-	(287,814)
FUND BALANCE - Beginning of Year (Restated)	<u>1,023,957</u>	<u>399,778</u>	<u>74,164</u>	<u>15,083</u>	<u>-</u>	<u>-</u>	<u>1,512,982</u>
FUND BALANCE - End of Year	<u>\$ 843,700</u>	<u>\$ 304,459</u>	<u>\$ 74,240</u>	<u>\$ 2,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225,168</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 762,033	\$ 1,543,674
Accounts Receivable	55,734	55,183
Due From Other Funds	2,029,296	1,579,255
Due From State and Federal	-	95,306
Due From Other Governments	68,059	57,401
Prepaid Expenditures	<u>43,125</u>	<u>38,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,958,247</u>	<u>\$ 3,368,819</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 362,379	\$ 154,371
Accrued Liabilities	51,392	29,761
Due To Other Governments	15,978	14,704
Other Liabilities	3,281	3,281
Unearned Revenues	<u>60,925</u>	<u>36,100</u>
<b>TOTAL LIABILITIES</b>	<u>493,955</u>	<u>238,217</u>
<b>FUND BALANCE</b>		
Non-Spendable:		
Prepaid Items	43,125	38,000
Non-Current Receivables	487,082	486,082
Assigned:		
Appropriated	744,220	641,255
Unassigned	<u>1,189,865</u>	<u>1,965,265</u>
<b>TOTAL FUND BALANCE</b>	<u>2,464,292</u>	<u>3,130,602</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 2,958,247</u>	<u>\$ 3,368,819</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 1,957,142	\$ 1,746,524
Accounts Receivable	31,330	56,957
Due From Other Governments	58,850	58,850
Prepaid Expenditures	<u>8,400</u>	<u>7,400</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,055,722</u></u>	<u><u>\$ 1,869,731</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 23,936	\$ 7,957
Accrued Liabilities	6,940	4,145
Escrow Liabilities	<u>490,878</u>	<u>512,058</u>
<b>TOTAL LIABILITIES</b>	<u>521,754</u>	<u>524,160</u>
<b>FUND BALANCE</b>		
Non-Spendable:		
Prepaid Items	8,400	7,400
Assigned:		
Appropriated	200,000	63,969
Unappropriated	<u>1,325,568</u>	<u>1,274,202</u>
<b>TOTAL FUND BALANCE</b>	<u>1,533,968</u>	<u>1,345,571</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 2,055,722</u></u>	<u><u>\$ 1,869,731</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 1,246,638	\$ 1,383,158
Cash - Restricted	4,112	4,111
Accounts Receivable	26,643	12,205
Prepaid Expenditures	<u>55,000</u>	<u>49,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,332,393</u></u>	<u><u>\$ 1,448,474</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 130,644	\$ 64,736
Accrued Liabilities	76,231	36,169
Due To Other Funds	<u>16,046</u>	<u>42,945</u>
<b>TOTAL LIABILITIES</b>	<u>222,921</u>	<u>143,850</u>
<b>FUND BALANCE</b>		
Non-Spendable:		
Prepaid Items	55,000	49,000
Restricted:		
Capital	4,112	4,111
Assigned:		
Appropriated	101,542	236,952
Unappropriated	<u>948,818</u>	<u>1,014,561</u>
<b>TOTAL FUND BALANCE</b>	<u>1,109,472</u>	<u>1,304,624</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 1,332,393</u></u>	<u><u>\$ 1,448,474</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>KERHONKSON</u>	<u>NAPANOCH</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>				
Cash	\$ 50,484	\$ 157,220	\$ 207,704	\$ 763,113
Cash - Restricted	159,559	162,511	322,070	308,390
Accounts Receivable	-	-	-	2,327
Sewer Rents Receivable	53,208	-	53,208	55,806
Due From Other Funds	120	4,448	4,568	-
Due From State and Federal	-	345,341	345,341	101,760
Prepaid Expenditures	<u>2,400</u>	<u>7,000</u>	<u>9,400</u>	<u>8,300</u>
<b>TOTAL ASSETS</b>	<u>\$ 265,771</u>	<u>\$ 676,520</u>	<u>\$ 942,291</u>	<u>\$ 1,239,696</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,918	\$ 30,760	\$ 36,678	\$ 54,177
Accrued Liabilities	3,294	10,775	14,069	7,260
Due To Other Funds	<u>43,993</u>	<u>3,851</u>	<u>47,844</u>	<u>154,302</u>
<b>TOTAL LIABILITIES</b>	<u>53,205</u>	<u>45,386</u>	<u>98,591</u>	<u>215,739</u>
<b>FUND BALANCE</b>				
Non-Spendable:				
Prepaid Items	2,400	7,000	9,400	8,300
Restricted:				
Capital	159,559	162,511	322,070	308,390
Assigned:				
Appropriated	-	71,910	71,910	165,305
Unappropriated	<u>50,607</u>	<u>389,713</u>	<u>440,320</u>	<u>541,962</u>
<b>TOTAL FUND BALANCE</b>	<u>212,566</u>	<u>631,134</u>	<u>843,700</u>	<u>1,023,957</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 265,771</u>	<u>\$ 676,520</u>	<u>\$ 942,291</u>	<u>\$ 1,239,696</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
NAPANOCH SEWER DISTRICT  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	2023 <u>ACTUAL</u>
REVENUES					
Intergovernmental Charges	\$ 628,940	\$ 628,940	\$ 554,193	\$ (74,747)	\$ 499,624
Use of Money and Property	<u>13,150</u>	<u>13,150</u>	<u>4,128</u>	<u>(9,022)</u>	<u>4,557</u>
TOTAL REVENUES	<u>642,090</u>	<u>642,090</u>	<u>558,321</u>	<u>(83,769)</u>	<u>504,181</u>
EXPENDITURES					
General Government Support	118,480	73,480	34,546	38,934	31,928
Home and Community Services	545,940	590,940	570,933	20,007	508,804
Employee Benefits	<u>142,975</u>	<u>142,975</u>	<u>110,164</u>	<u>32,811</u>	<u>120,824</u>
TOTAL EXPENDITURES	<u>807,395</u>	<u>807,395</u>	<u>715,643</u>	<u>91,752</u>	<u>661,556</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(165,305)	(165,305)	(157,322)	7,983	(157,375)
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,523)</u>
NET CHANGE IN FUND BALANCE	(165,305)	(165,305)	(157,322)	7,983	(166,898)
FUND BALANCE - Beginning of Year	<u>165,305</u>	<u>165,305</u>	<u>788,456</u>	<u>623,151</u>	<u>955,354</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,134</u>	<u>\$ 631,134</u>	<u>\$ 788,456</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
KERHONKSON SEWER DISTRICT  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 ACTUAL
<b>REVENUES</b>					
Real Property Taxes	\$ 136,155	\$ 136,155	\$ 136,155	\$ -	\$ 136,155
Departmental Income	122,000	122,000	127,316	5,316	127,802
Use of Money and Property	300	300	757	457	823
Sale of Property and Compensation For Loss	-	-	1,182	1,182	-
<b>TOTAL REVENUES</b>	<u>258,455</u>	<u>258,455</u>	<u>265,410</u>	<u>6,955</u>	<u>264,780</u>
<b>EXPENDITURES</b>					
General Government Support	3,500	13,500	12,217	1,283	7,687
Home and Community Services	177,350	194,350	191,091	3,259	147,725
Employee Benefits	31,975	38,475	34,269	4,206	24,883
Debt Service:					
Principal	30,000	30,000	30,000	-	30,000
Interest	15,630	20,830	20,768	62	9,809
<b>TOTAL EXPENDITURES</b>	<u>258,455</u>	<u>297,155</u>	<u>288,345</u>	<u>8,810</u>	<u>220,104</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(38,700)	(22,935)	15,765	44,676
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers Out	-	-	-	-	(64,622)
<b>NET CHANGE IN FUND BALANCE</b>	-	(38,700)	(22,935)	15,765	(19,946)
<b>FUND BALANCE - Beginning of Year</b>	<u>-</u>	<u>38,700</u>	<u>235,501</u>	<u>196,801</u>	<u>255,447</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,566</u>	<u>\$ 212,566</u>	<u>\$ 235,501</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>NAPANOCH</u>	<u>KERHONKSON</u>	<u>WAWARSING</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>					
Cash	\$ 118,870	\$ 29,374	\$ 168,409	\$ 316,653	\$ 283,572
Cash - Restricted	1,066	67,686	-	68,752	171,177
Water Rents Receivable	100,419	51,048	32,122	183,589	174,601
Accounts Receivable	-	-	-	-	2
Due From Other Funds	2,314	5,633	-	7,947	-
Due From Other Government	-	-	-	-	3,654
Prepaid Expenditures	-	2,500	-	2,500	2,200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 222,669</b>	<b>\$ 156,241</b>	<b>\$ 200,531</b>	<b>\$ 579,441</b>	<b>\$ 635,206</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 133	\$ 358	\$ 194	\$ 685	\$ 28,692
Accrued Liabilities	4,091	2,025	2,801	8,917	2,663
Due To Other Funds	156,502	21,363	87,515	265,380	209,907
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>160,726</b>	<b>23,746</b>	<b>90,510</b>	<b>274,982</b>	<b>241,262</b>
<b>FUND BALANCE</b>					
Non-Spendable:					
Prepaid Items	-	2,500	-	2,500	2,200
Restricted:					
Capital	1,066	67,686	-	68,752	171,177
Assigned:					
Appropriated	9,290	44,106	19,760	73,156	78,211
Unappropriated	51,587	18,203	90,261	160,051	142,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUND BALANCE</b>	<b>61,943</b>	<b>132,495</b>	<b>110,021</b>	<b>304,459</b>	<b>393,944</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 222,669</b>	<b>\$ 156,241</b>	<b>\$ 200,531</b>	<b>\$ 579,441</b>	<b>\$ 635,206</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
NAPANOCH WATER DISTRICT  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 ACTUAL
REVENUES					
Real Property Taxes	\$ 235,000	\$ 235,000	\$ 235,000	\$ -	\$ 235,000
Departmental Income	201,825	201,825	226,309	24,484	219,235
Use of Money and Property	100	100	3,106	3,006	3,493
Miscellaneous Local Sources	-	-	-	-	24,361
	<u>436,925</u>	<u>436,925</u>	<u>464,415</u>	<u>27,490</u>	<u>482,089</u>
TOTAL REVENUES					
EXPENDITURES					
General Government Support	4,300	4,300	1,322	2,978	1,249
Home and Community Services	212,375	374,530	329,208	45,322	328,909
Employee Benefits	30,250	70,850	59,186	11,664	41,846
Debt Service:					
Principal	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>-</u>	<u>235,000</u>
	<u>481,925</u>	<u>684,680</u>	<u>624,716</u>	<u>59,964</u>	<u>607,004</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,000)	(247,755)	(160,301)	87,454	(124,915)
FUND BALANCE - Beginning of Year (Restated)	<u>45,000</u>	<u>247,755</u>	<u>222,244</u>	<u>(25,511)</u>	<u>341,325</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,943</u>	<u>\$ 61,943</u>	<u>\$ 216,410</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
KERHONKSON WATER DISTRICT  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>2023 ACTUAL</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 93,715	\$ 93,715	\$ 93,715	\$ -	\$ 93,715
Departmental Income	106,825	106,825	126,207	19,382	127,824
Use of Money and Property	100	100	1,547	1,447	1,658
Sale of Property and Compensation For Loss	<u>-</u>	<u>-</u>	<u>3,952</u>	<u>3,952</u>	<u>3,270</u>
<b>TOTAL REVENUES</b>	<u>200,640</u>	<u>200,640</u>	<u>225,421</u>	<u>24,781</u>	<u>226,467</u>
<b>EXPENDITURES</b>					
General Government Support	2,800	2,800	-	2,800	487
Home and Community Services	109,881	84,881	71,048	13,833	99,389
Employee Benefits	27,455	32,455	30,726	1,729	24,594
Debt Service:					
Principal	60,000	80,000	80,000	-	40,000
Interest	<u>33,715</u>	<u>33,715</u>	<u>33,113</u>	<u>602</u>	<u>33,574</u>
<b>TOTAL EXPENDITURES</b>	<u>233,851</u>	<u>233,851</u>	<u>214,887</u>	<u>18,964</u>	<u>198,044</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(33,211)	(33,211)	10,534	43,745	28,423
<b>FUND BALANCE - Beginning of Year</b>	<u>33,211</u>	<u>33,211</u>	<u>121,961</u>	<u>88,750</u>	<u>93,538</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,495.00</u>	<u>\$ 132,495.00</u>	<u>\$ 121,961.00</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
WAWARSING WATER DISTRICT  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>2023</u> <u>ACTUAL</u>
REVENUES					
Departmental Income	\$ 103,748	\$ 103,748	\$ 91,973	\$ (11,775)	\$ 67,093
Use of Money and Property	<u>100</u>	<u>100</u>	<u>356</u>	<u>256</u>	<u>194</u>
TOTAL REVENUES	<u>103,848</u>	<u>103,848</u>	<u>92,329</u>	<u>(11,519)</u>	<u>67,287</u>
EXPENDITURES					
General Government Support	2,800	2,800	-	2,800	-
Home and Community Services	73,593	73,593	36,532	37,061	11,706
Employee Benefits	<u>27,455</u>	<u>27,455</u>	<u>1,349</u>	<u>26,106</u>	<u>8</u>
TOTAL EXPENDITURES	<u>103,848</u>	<u>103,848</u>	<u>37,881</u>	<u>65,967</u>	<u>11,714</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	54,448	54,448	55,573
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>55,573</u>	<u>55,573</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,021</u>	<u>\$ 110,021</u>	<u>\$ 55,573</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

	<u>NAPANOCH</u>	<u>KERHONKSON</u>	<u>MOONEY</u>	<u>WAWARSING</u>	<u>SPRING GLEN 1</u>	<u>SPRING GLEN 2</u>	<u>2024</u>	<u>2023</u>
ASSETS								
Cash	\$ 128,921	\$ 70,577	\$ 21,745	\$ 36,298	\$ 34,759	\$ 9,142	\$ 301,442	\$ 216,666
TOTAL ASSETS	<u>\$ 128,921</u>	<u>\$ 70,577</u>	<u>\$ 21,745</u>	<u>\$ 36,298</u>	<u>\$ 34,759</u>	<u>\$ 9,142</u>	<u>\$ 301,442</u>	<u>\$ 216,666</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Due To Other Funds	\$ 129,990	\$ 77,841	\$ 20,452	\$ 34,046	\$ 28,692	\$ 7,652	\$ 298,673	\$ 201,583
TOTAL LIABILITIES	<u>129,990</u>	<u>77,841</u>	<u>20,452</u>	<u>34,046</u>	<u>28,692</u>	<u>7,652</u>	<u>298,673</u>	<u>201,583</u>
FUND BALANCE								
Assigned:								
Appropriated	-	-	-	-	-	-	-	-
Unappropriated	(1,069)	(7,264)	1,293	2,252	6,067	1,490	2,769	15,083
TOTAL FUND BALANCE	<u>(1,069)</u>	<u>(7,264)</u>	<u>1,293</u>	<u>2,252</u>	<u>6,067</u>	<u>1,490</u>	<u>2,769</u>	<u>15,083</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 128,921</u>	<u>\$ 70,577</u>	<u>\$ 21,745</u>	<u>\$ 36,298</u>	<u>\$ 34,759</u>	<u>\$ 9,142</u>	<u>\$ 301,442</u>	<u>\$ 216,666</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - NAPANOCH LIGHTING  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	\$ 15,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>2,981</u>	<u>2,981</u>	<u>1,102</u>
TOTAL REVENUES	<u>35,000</u>	<u>35,000</u>	<u>37,981</u>	<u>2,981</u>	<u>16,102</u>
EXPENDITURES					
Transportation	<u>35,000</u>	<u>35,000</u>	<u>42,117</u>	<u>(7,117)</u>	<u>36,053</u>
TOTAL EXPENDITURES	<u>35,000</u>	<u>35,000</u>	<u>42,117</u>	<u>(7,117)</u>	<u>36,053</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(4,136)	(4,136)	(19,951)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,067</u>	<u>3,067</u>	<u>23,018</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,069)</u>	<u>\$ (1,069)</u>	<u>\$ 3,067</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 SPECIAL DISTRICTS - KERHONKSON LIGHTING  
 YEAR ENDED DECEMBER 31, 2024  
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 10,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>1,491</u>	<u>1,491</u>	<u>551</u>
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>21,491</u>	<u>1,491</u>	<u>10,551</u>
EXPENDITURES					
Transportation	<u>20,000</u>	<u>20,000</u>	<u>25,361</u>	<u>(5,361)</u>	<u>21,591</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>25,361</u>	<u>(5,361)</u>	<u>21,591</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(3,870)	(3,870)	(11,040)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,394)</u>	<u>(3,394)</u>	<u>7,646</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,264)</u>	<u>\$ (7,264)</u>	<u>\$ (3,394)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICT - MOONEY LIGHTING  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>407</u>	<u>407</u>	<u>150</u>
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,407</u>	<u>407</u>	<u>5,150</u>
EXPENDITURES					
Transportation	<u>5,000</u>	<u>5,000</u>	<u>6,641</u>	<u>(1,641)</u>	<u>5,667</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>6,641</u>	<u>(1,641)</u>	<u>5,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,234)	(1,234)	(517)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,527</u>	<u>2,527</u>	<u>3,044</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,293</u>	<u>\$ 1,293</u>	<u>\$ 2,527</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - WAWARSING LIGHTING  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 9,000	\$ 9,000	\$ 9,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>881</u>	<u>881</u>	<u>325</u>
TOTAL REVENUES	<u>9,000</u>	<u>9,000</u>	<u>9,881</u>	<u>881</u>	<u>5,325</u>
EXPENDITURES					
Transportation	<u>9,000</u>	<u>9,000</u>	<u>11,126</u>	<u>(2,126)</u>	<u>9,466</u>
TOTAL EXPENDITURES	<u>9,000</u>	<u>9,000</u>	<u>11,126</u>	<u>(2,126)</u>	<u>9,466</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,245)	(1,245)	(4,141)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,497</u>	<u>3,497</u>	<u>7,638</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,252</u>	<u>\$ 3,497</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - SPRING GLEN 1 LIGHTING  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 5,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>814</u>	<u>814</u>	<u>300</u>
TOTAL REVENUES	<u>7,000</u>	<u>7,000</u>	<u>7,814</u>	<u>814</u>	<u>5,300</u>
EXPENDITURES					
Transportation	<u>7,000</u>	<u>7,000</u>	<u>9,360</u>	<u>(2,360)</u>	<u>7,971</u>
TOTAL EXPENDITURES	<u>7,000</u>	<u>7,000</u>	<u>9,360</u>	<u>(2,360)</u>	<u>7,971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,546)	(1,546)	(2,671)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,613</u>	<u>7,613</u>	<u>10,284</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,067</u>	<u>\$ 6,067</u>	<u>\$ 7,613</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL DISTRICTS - SPRING GLEN 2 LIGHTING  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2023 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 1,000
Use of Money and Property	<u>-</u>	<u>-</u>	<u>203</u>	<u>203</u>	<u>75</u>
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>2,203</u>	<u>203</u>	<u>1,075</u>
EXPENDITURES					
Transportation	<u>2,000</u>	<u>2,000</u>	<u>2,486</u>	<u>(486)</u>	<u>2,127</u>
TOTAL EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>2,486</u>	<u>(486)</u>	<u>2,127</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(283)	(283)	(1,052)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,773</u>	<u>1,773</u>	<u>2,825</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 1,490</u>	<u>\$ 1,773</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 CAPITAL PROJECTS FUND  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 2024  
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	AIRPORT	PUBLIC WATER AQUEDUCT	NAPANOCH SEWER	NAPANOCH WATER	KERHONSON SEWER	KERHONKSON WATER	WAWARSING WATER	ARPA FUNDS	TOWN BARN PROJECT	HIGHWAY TRUCK	2024 TOTALS	2023 TOTALS
<b>ASSETS</b>												
Cash	\$ (16,776)	\$ 3,335	\$ 9,475	\$ -	\$ (9,615)	\$ 62,575	\$ (45,029)	\$ 30,860	\$ -	\$ -	\$ 34,825	\$ 3,086,422
Cash - Restricted							3,660,883		124,976		3,785,859	-
Due From State and Federal	64,381	-	-	-	672,585	-	-	-	-	-	736,966	810,095
Due From Other Governments	-	-	-	-	-	-	2,570,062	-	-	-	2,570,062	555,207
<b>TOTAL ASSETS</b>	<b>\$ 47,605</b>	<b>\$ 3,335</b>	<b>\$ 9,475</b>	<b>\$ -</b>	<b>\$ 662,970</b>	<b>\$ 62,575</b>	<b>\$ 6,185,916</b>	<b>\$ 30,860</b>	<b>\$ 124,976</b>	<b>\$ -</b>	<b>\$ 7,127,712</b>	<b>\$ 4,451,724</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Accounts Payable	\$ 2,259	\$ -	\$ -	\$ -	\$ 38,208	\$ -	\$ 617,157	\$ -	\$ 124,818	\$ -	\$ 782,442	\$ 1,455,224
Due To Other Funds	-	52,607	9,475	2,470	878,326	300,000	14,313	30,860	125,817	-	1,413,868	970,518
Revenue Anticiaption Notes Payable	-	-	-	-	-	-	5,600,000	-	-	-	5,600,000	-
Bond Anticiaption Notes Payable	-	-	-	-	-	-	-	-	9,100,000	-	9,100,000	7,200,000
Other Liabilities	417	-	-	-	-	-	-	-	-	-	417	561,788
<b>TOTAL LIABILITIES</b>	<b>2,676</b>	<b>52,607</b>	<b>9,475</b>	<b>2,470</b>	<b>916,534</b>	<b>300,000</b>	<b>6,231,470</b>	<b>30,860</b>	<b>9,350,635</b>	<b>-</b>	<b>16,896,727</b>	<b>10,187,530</b>
<b>FUND BALANCES</b>												
Assigned	44,929	-	-	-	-	-	-	-	-	-	44,929	32,424
Unassigned	-	(49,272)	-	(2,470)	(253,564)	(237,425)	(45,554)	-	(9,225,659)	-	(9,813,944)	(5,768,230)
<b>TOTAL FUND BALANCES</b>	<b>44,929</b>	<b>(49,272)</b>	<b>-</b>	<b>(2,470)</b>	<b>(253,564)</b>	<b>(237,425)</b>	<b>(45,554)</b>	<b>-</b>	<b>(9,225,659)</b>	<b>-</b>	<b>(9,769,015)</b>	<b>(5,735,806)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 47,605</b>	<b>\$ 3,335</b>	<b>\$ 9,475</b>	<b>\$ -</b>	<b>\$ 662,970</b>	<b>\$ 62,575</b>	<b>\$ 6,185,916</b>	<b>\$ 30,860</b>	<b>\$ 124,976</b>	<b>\$ -</b>	<b>\$ 7,127,712</b>	<b>\$ 4,451,724</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
 CAPITAL PROJECTS FUND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 YEAR ENDED DECEMBER 31, 2024  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	<u>AIRPORT</u>	<u>PUBLIC WATER AQUEDUCT</u>	<u>NAPANOCH SEWER</u>	<u>NAPANOCH WATER</u>	<u>KERHONSON SEWER</u>	<u>KERHONKSON WATER</u>	<u>WAWARSING WATER</u>	<u>ARPA FUNDS</u>	<u>TOWN BARN PROJECT</u>	<u>HIGHWAY TRUCK</u>	<u>2024 TOTALS</u>	<u>2023 TOTALS</u>
REVENUES												
Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,700	\$ -	\$ 36,700	\$ 7,165
Miscellaneous Local Sources	-	-	-	-	-	-	3,053,841	-	-	-	3,053,841	2,148,212
State Aid	62,454	-	-	-	-	-	-	-	-	-	62,454	25,489
Federal Aid	138,585	-	-	-	839,586	-	-	-	-	-	978,171	1,282,785
TOTAL REVENUES	<u>201,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>839,586</u>	<u>-</u>	<u>3,053,841</u>	<u>-</u>	<u>36,700</u>	<u>-</u>	<u>4,131,166</u>	<u>3,463,651</u>
EXPENDITURES												
Capital Outlay	188,534	-	-	-	860,973	-	3,031,917	-	5,176,015	547,526	9,804,965	8,338,418
TOTAL EXPENDITURES	<u>188,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,973</u>	<u>-</u>	<u>3,031,917</u>	<u>-</u>	<u>5,176,015</u>	<u>547,526</u>	<u>9,804,965</u>	<u>8,338,418</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,505	-	-	-	(21,387)	-	21,924	-	(5,139,315)	(547,526)	(5,673,799)	(4,874,767)
OTHER FINANCIAL SOURCES (USES)												
Operating Transfers In	-	-	-	-	-	-	-	-	1,030,928	-	1,030,928	74,145
Premiums on Obligations	-	-	-	-	-	-	13,788	-	48,348	-	62,136	32,694
Proceeds of Installment Debt	-	-	-	-	-	-	-	-	-	547,526	547,526	-
NET CHANGE IN FUND BALANCE	12,505	-	-	-	(21,387)	-	35,712	-	(4,060,039)	-	(4,033,209)	(4,767,928)
FUND BALANCE - Beginning of Year	32,424	(49,272)	-	(2,470)	(232,177)	(237,425)	(81,266)	-	(5,165,620)	-	(5,735,806)	(967,878)
FUND BALANCE - End of Year	<u>\$ 44,929</u>	<u>\$ (49,272)</u>	<u>\$ -</u>	<u>\$ (2,470)</u>	<u>\$ (253,564)</u>	<u>\$ (237,425)</u>	<u>\$ (45,554)</u>	<u>\$ -</u>	<u>\$ (9,225,659)</u>	<u>\$ -</u>	<u>\$ (9,769,015)</u>	<u>\$ (5,735,806)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF WAWARSING, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024

<u>GRANTOR AGENCY</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>EXPENDITURES CURRENT YEAR</u>	<u>TOTAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through NYS Homes and Community Renewal:				
CDBG Small Citites Program	14.228	1215PR183-21	\$ 777,944	
CDBG Small Citites Program	14.228	1215PR167-22	<u>61,642</u>	
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>839,586</u>
DEPARTMENT OF TRANSPORTATION				
Airport Improvement Program	20.106	N/A	<u>138,585</u>	
TOTAL DEPARTMENT OF TRANSPORTATION				<u>138,585</u>
DEPARTMENT OF AGRICULTURE				
Passed Through State Dept. of Education:				
Summer Food Service Program	10.559	N/A	<u>107,100</u>	
Total Child Nutrition Cluster			<u>107,100</u>	
TOTAL DEPARTMENT OF AGRICULTURE				<u>107,100</u>
US TREASURY				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>530,928</u>	
TOTAL US TREASURY				<u>530,928</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 1,616,199</u>

TOWN OF WAWARSING SCHOOL DISTRICT  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 DECEMBER 31, 2024

1. GENERAL

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

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

Governmental Funds:

General Town Wide	\$ 638,028
Capital Fund	<u>978,171</u>
<b>TOTAL</b>	<b><u>\$ 1,616,199</u></b>

LOAN PROGRAMS

In September 2020, the Town drew down \$1,748,000 in USDA loan proceeds to pay off short term debt, and \$807,000 in USDA loan proceeds to pay 2020 expenditures. As of December 31, 2024, the Town had \$2,320,000 in outstanding USDA loans.

TOWN OF WAWARSING, NEW YORK  
 SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
 YEAR ENDED DECEMBER 31, 2024

<u>GRANTOR AGENCY / PROGRAM DESCRIPTION</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>NYS GRANT REFERENCE #</u>	<u>TOTAL EXPENDITURES</u>
DEPARTMENT OF TRANSPORTATION			
Consolidated Highway Improvement Program	N/A	N/A	<u>\$ 1,028,097</u>

TOWN OF WAWARSING, NEW YORK  
NOTES TO SCHEDULE OF STATE  
TRANSPORTATION ASSISTANCE EXPENDED  
DECEMBER 31, 2024

BASIS OF PRESENTATION

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

BASIS OF ACCOUNTING

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

MATCHING COSTS

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

SUBRECIPIENTS

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

RELATIONSHIP TO THE FINANCIAL STATEMENTS

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

Governmental Funds:	
Highway DB Fund	<u>\$ 1,028,097</u>



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wawarsing, New York as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Wawarsing, New York's basic financial statements and have issued our report thereon dated September 25, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cooper Arias, LLP*

Mongaup Valley, New York  
September 25, 2025

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

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Town of Wawarsing, New York's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Wawarsing, New York's major federal programs for the year ended December 31, 2024. The Town of Wawarsing, New York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Wawarsing, New York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of the Town of Wawarsing, New York and to meet our ethical requirements, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Town of Wawarsing, New York's compliance with the requirements referred to above.

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibility for the Audit of Compliance**

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

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

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

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

## Report on Internal Control Over Compliance

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

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

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

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

*Cooper Arias, LLP*

Mongaup Valley, New York  
September 25, 2025

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

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

We have audited the Town of Wawarsing, New York's, compliance with the types of compliance requirements described in the preliminary draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each of the Town's State transportation assistance programs tested for the year ended December 31, 2024. The programs tested are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

## **Opinion on State Transportation Assistance Program Tested**

In our opinion, the Town of Wawarsing, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its State transportation assistance programs tested for the year ended December 31, 2024.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Cooper Arias, LLP*

Mongaup Valley, New York  
September 25, 2025

TOWN OF WAWARSING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2024

Summary of Auditors' Results:

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

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

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Awards Program Audit

None

TOWN OF WAWARSING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE  
TRANSPORTATION ASSISTANCE EXPENDED  
DECEMBER 31, 2024

Summary of Auditors' Results:

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

Consolidated Highway Improvement Program	<u>\$ 1,028,097</u>
--	---------------------

Compliance Findings and Questioned Costs

None noted.

TOWN OF WAWARSING  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2024

No findings noted in the prior year.