

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024
INCLUDING REPORTS ON FEDERAL AWARDS**



TOWN OF NEWBURGH
NEWBURGH, NEW YORK
DECEMBER 31, 2024

TABLE OF CONTENTS

<u>SCHEDULE NUMBER</u>		<u>PAGE</u>
	Independent Auditor's Report	1 – 3
	Management's Discussion and Analysis	4 – 17
	Basic Financial Statements	
1	Statement of Net Position	18
2	Statement of Activities	19
3	Balance Sheet - Governmental Funds	20
4	Reconciliation of Governmental Funds Balance Sheets to the Statement of Net Position	21
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
6	Reconciliation of Governmental Funds - Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	23
7	Statement of Fiduciary Net Position and Changes in Fiduciary Net Position	24
	Notes to Financial Statements	25 – 63
	Federal Award Program Information	
	Independent Auditor's 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	64 – 65
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	66 – 68
	Schedule of Expenditures of Federal Awards	69
	Notes to the Schedule of Expenditures of Federal Awards	70
	Schedule of Findings and Questioned Costs	71 - 72

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
DECEMBER 31, 2024

TABLE OF CONTENTS
(Continued)

<u>SCHEDULE NUMBER</u>		<u>PAGE</u>
	Required Supplementary Information	
8	Schedule of Revenues and Expenditures Compared to Budget - General Fund	73
9	Schedule of Revenues and Expenditures Compared to Budget - Highway Fund	74
10	Schedule of Revenues and Expenditures Compared to Budget - Water Fund	75
11	Schedule of Revenues and Expenditures Compared to Budget - Sewer Fund	76
12	Schedule of Changes in the Town's Total OPEB Liability and Related Ratios	77
13	Schedule of the Town's Proportionate Share of the Net Pension Liability	78
14	Schedule of Town Contributions	79
	Supplementary Information	
15	Non-Major Governmental Funds - Combining Balance Sheets	80
16	Non-Major Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	81
17	Sewer Fund - Combining Balance Sheets	82
18	Sewer Fund - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	83
19	Lighting Fund - Combining Balance Sheets	84
20	Lighting Fund - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	85
21	Net Investment in Capital Assets	86
22	Statement of Indebtedness	87
23	Schedule of Capital Projects	88



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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Members
of the Town Board
Town of Newburgh
Newburgh, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Town of Newburgh, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Town of Newburgh'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 fiduciary fund of the Town of Newburgh, 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 *Government Auditing Standards*. 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 Town of Newburgh, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, management has adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

100th ANNIVERSARY

1925 - 2025

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 Town of Newburgh'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 Town of Newburgh'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 Town of Newburgh'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 budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Newburgh's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2025 on our consideration of the Town's internal control over financial reporting and out tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering Town of Newburgh's internal control over financial reporting.

Nugent & Haussler PC

Montgomery, New York
May 5, 2025

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

The following is a discussion and analysis of the Town of Newburgh's financial performance for the year ended December 31, 2024. The Town of Newburgh discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

The section is a summary of the Town's financial activities 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 an 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.

HIGHLIGHTS

Financial Highlights:

- The liabilities and deferred inflows of resources of the Town of Newburgh exceeded its assets and deferred outflows of resources at the close of the calendar years 2024 and 2023 (as restated) by \$9,023,106 and \$19,401,049 (net position) respectively.
- Revenues, as reflected in the governmental funds statement, increased by \$2,902,839 as compared to last year. Revenues in the General Fund received were \$1,066,305 higher than budgeted amounts for 2024.
- As of the close of the current calendar year, the Town of Newburgh's governmental funds reported combined ending fund balance of \$54,014,894, a decrease of \$3,347,876 in comparison with the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$20,703,669 at 67.05% of the total General Fund expenditures and other uses.
- The Town of Newburgh's total debt from borrowing decreased by \$2,191,803 (14.54%) during the current calendar year.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD & A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide* financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide statements. The fund financial statements concentrate on the Town's most significant funds.
- The *government fund statements* tell how basic services such as water and sewer were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Town's budget for the year.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain. The remainder of this overview section of MD & A highlights the structure and contents of each of the statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Figure A-1 Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide	Governmental Funds	Fiduciary Funds
Scope	Entire Government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as highway, water and sewer	Instances in which the Town administers resources on behalf of someone else.
Required financial statements	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Town's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's *net position* and how it has changed. Net position, the difference between the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the Town's financial health or position.

- Over time, increases or decreases in the Town's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Town's overall health, you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of facilities and infrastructures.

In the government-wide financial statements, the Town's activities are shown as *governmental activities*: Most of the Town's basic services are included here, such as water and sewer services (home and community services), road maintenance (transportation), and administration (general governmental support). Property taxes and charges for services finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds - not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The Town establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

The Town has two kinds of funds:

- **Governmental Funds:** Most of the Town's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciling statements (Schedule 4 and Schedule 6) have been added to explain the relationship (or differences) between them.
- **Fiduciary Funds-Custodial Funds:** The Town acts in a custodial capacity for assets that are ultimately transferred to others. The Town excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position (deficit) at the calendar year end is \$(9,023,106). This is a \$10,377,943 change from last year's net position (deficit) of \$(19,401,049), as restated . The following table provides a summary of the Town's net position:

FIGURE A-2

<i>Condensed Statement of Net Position</i>	2024	As Restated 2023	Total \$ Change	Total % Change
Current Assets	\$ 65,177,788	\$ 68,708,465	\$ (3,530,677)	-5.14%
Non-Current Assets	58,514,811	48,074,589	10,440,222	21.72%
Deferred Outflow	14,898,520	24,800,912	(9,902,392)	-39.93%
Total Assets	138,591,119	141,583,966	(2,992,847)	-2.11%
Current Liabilities	9,415,582	10,362,881	(947,299)	-9.14%
Non-Current Liabilities	111,916,780	127,719,074	(15,802,294)	-12.37%
Deferred Inflow	26,281,863	22,903,060	3,378,803	-14.75%
Total Liabilities	147,614,225	160,985,015	(13,370,790)	-8.31%
Net Investment in Capital Assets	46,331,906	33,835,050	12,496,856	36.93%
Restricted	8,319,538	11,111,794	(2,792,256)	-25.13%
Unrestricted Net Assets	(63,674,550)	(64,347,893)	673,343	1.05%
Total Net Position	\$ (9,023,106)	\$ (19,401,049)	\$ 10,377,943	53.49%

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION
DECEMBER 31, 2024 AND 2023

The schedule below and supporting graphs on the following pages provides a summary of revenues, expenses and changes in net position for the years ended December 31, 2024 and 2023:

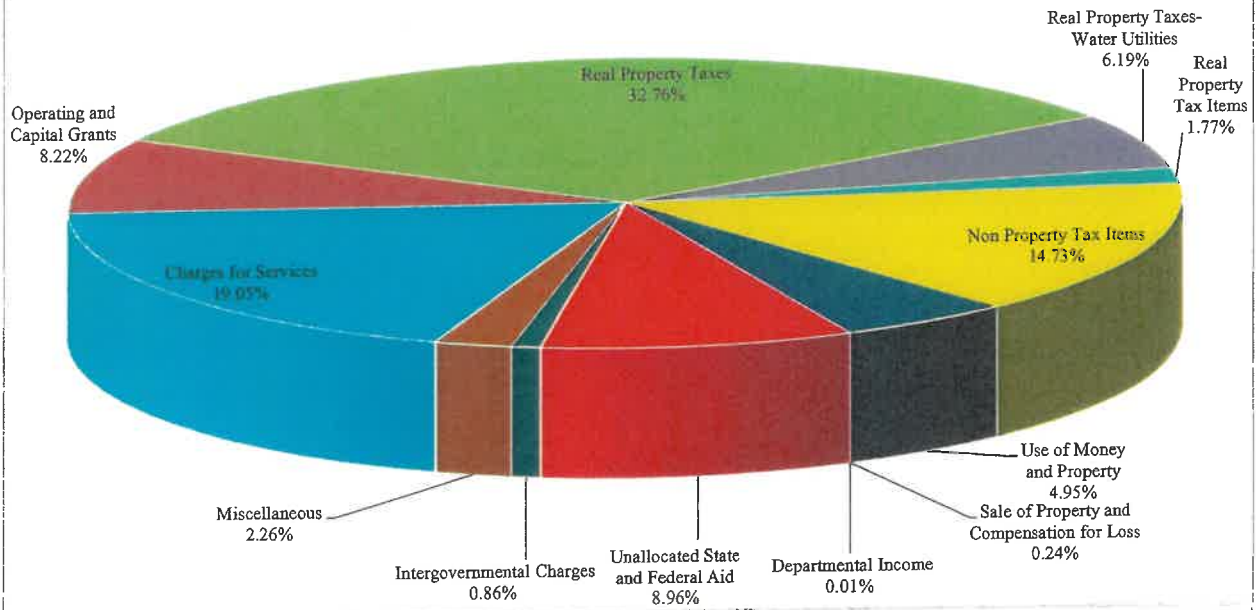
FIGURE A-3

<u>REVENUES</u>	<u>2024</u> <u>AMOUNT</u>	<u>%</u>	<u>2023</u> <u>AMOUNT</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
PROGRAM REVENUES						
Charges for Services	\$ 10,311,449	19.05%	\$ 9,459,145	18.85%	\$ 852,304	9.01%
Operating and Capital Grants	4,452,402	8.22%	3,300,741	6.58%	1,151,661	34.89%
GENERAL REVENUES						
Real Property Taxes	17,732,553	32.76%	17,389,287	34.65%	343,266	1.97%
Real Property Taxes-Water Utilities	3,352,000	6.19%	3,169,871	6.32%	182,129	5.75%
Real Property Tax Items	959,925	1.77%	943,922	1.88%	16,003	1.70%
Non Property Taxes	7,973,491	14.73%	7,717,647	15.38%	255,844	3.32%
Departmental Income	6,415	0.01%	19,107	0.04%	(12,692)	-
Use of Money and Property	2,680,755	4.95%	2,247,902	4.48%	432,853	19.26%
Unallocated State and Federal Aid	4,849,706	8.96%	4,485,747	8.94%	363,959	8.11%
Sale of Property and Compensation for Loss	131,624	0.24%	107,383	0.21%	24,241	22.57%
Intergovernmental Charges	462,937	0.86%	499,665	1.00%	(36,728)	-7.35%
Miscellaneous	1,220,901	2.26%	840,123	1.67%	380,778	45.32%
	<u>54,134,298</u>	<u>100.00%</u>	<u>50,180,540</u>	<u>100.00%</u>	<u>3,953,758</u>	<u>7.88%</u>
<u>EXPENDITURES</u>						
General Government	8,241,614	18.84%	7,054,803	17.18%	1,186,811	16.82%
Public Safety	15,729,458	35.95%	14,258,118	34.71%	1,471,340	10.32%
Health	396,573	0.91%	397,516	0.97%	(943)	-0.24%
Transportation	7,397,706	16.91%	7,213,018	17.56%	184,688	2.56%
Economic Assistance and Opportunity	85,103	0.19%	73,958	0.18%	11,145	15.07%
Culture and Recreation	1,732,554	3.96%	1,649,519	4.02%	83,035	5.03%
Home and Community Services	9,916,460	22.66%	10,175,700	24.77%	(259,240)	-2.55%
Interest on Debt	256,887	0.59%	252,816	0.62%	4,071	1.61%
	<u>43,756,355</u>	<u>100.00%</u>	<u>41,075,448</u>	<u>100.00%</u>	<u>2,680,907</u>	<u>6.53%</u>
INCREASE/(DECREASE) IN NET POSITION	<u>\$ 10,377,943</u>		<u>\$ 9,105,092</u>		<u>\$ 1,272,851</u>	

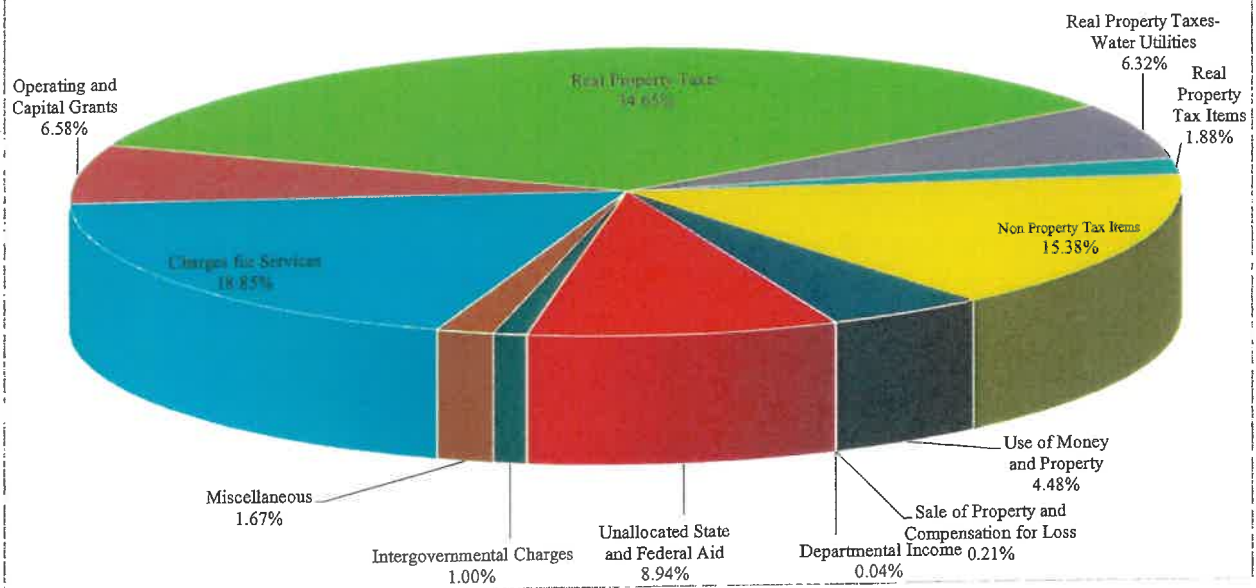
**TOWN OF NEWBURGH
NEWBURGH, NEW YORK**

FIGURE A-4

SOURCES OF REVENUES FOR CALENDAR YEAR 2024

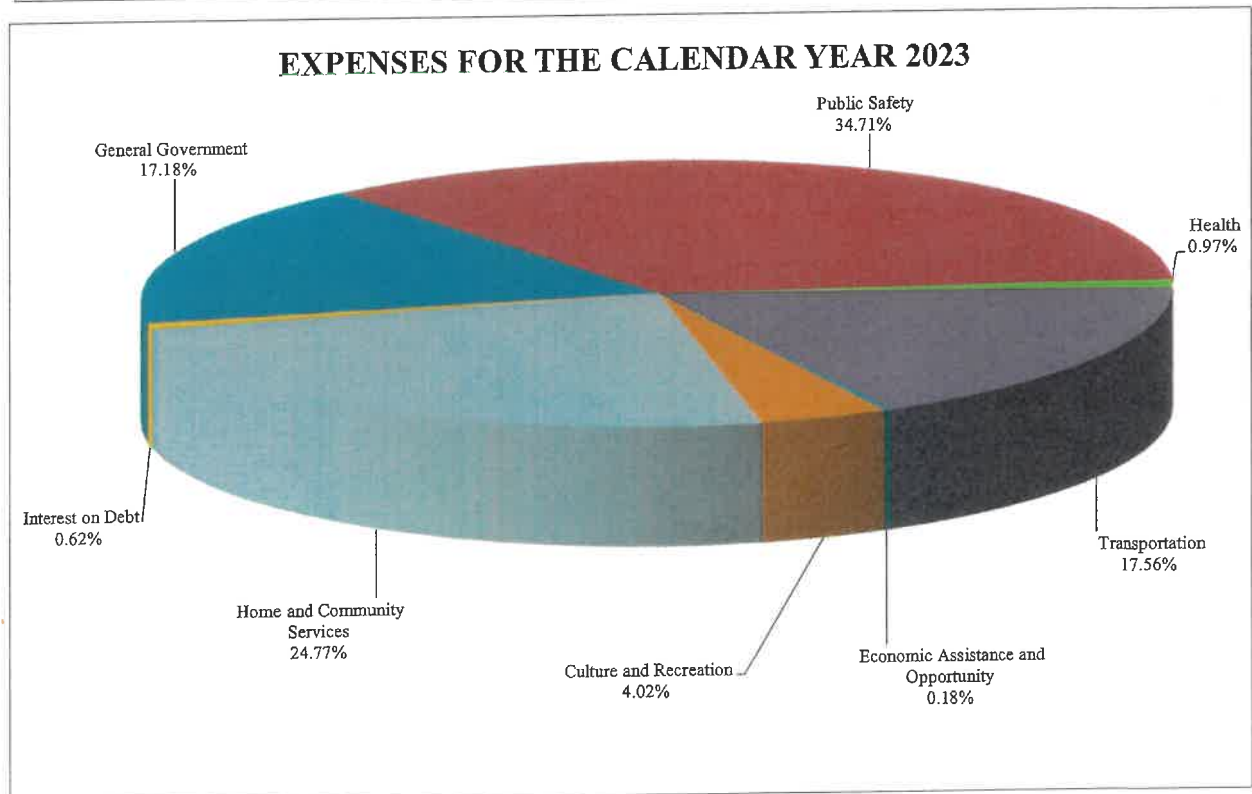
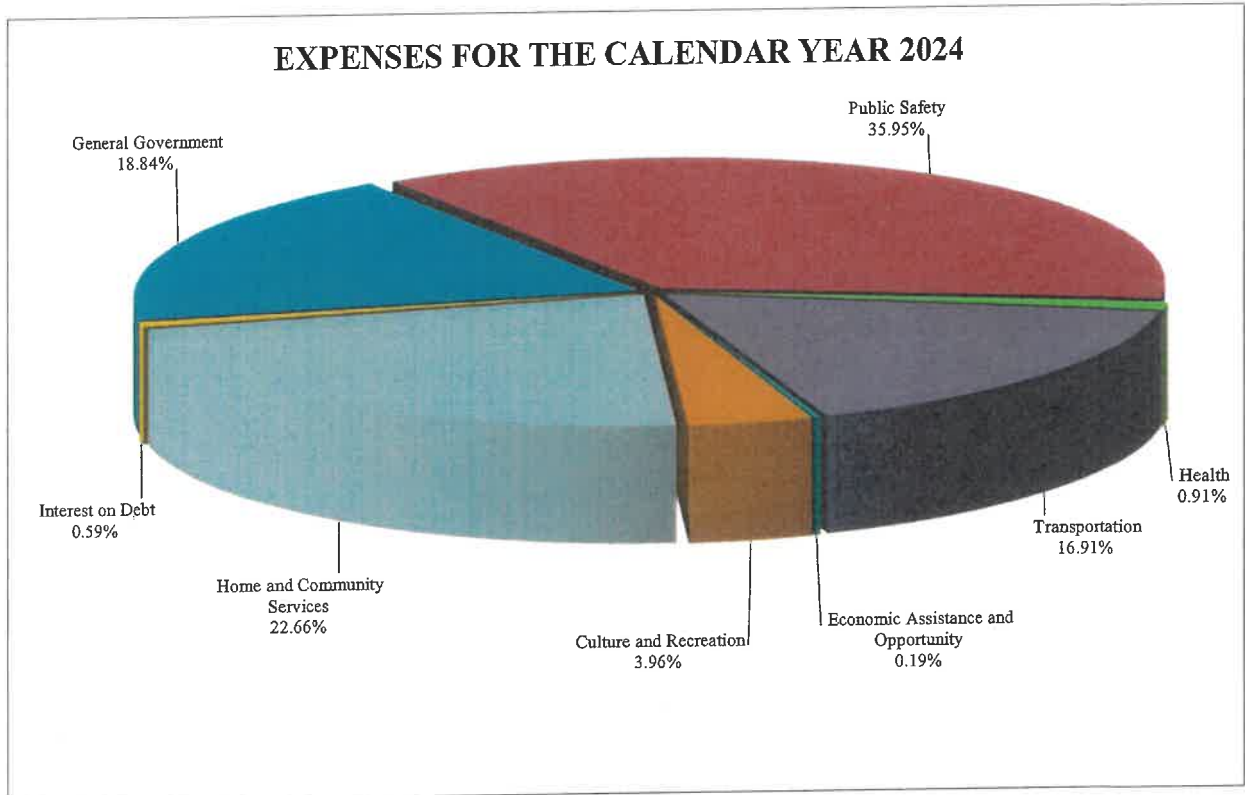


SOURCES OF REVENUES FOR CALENDAR YEAR 2023



TOWN OF NEWBURGH
NEWBURGH, NEW YORK

FIGURE A-5



TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

FIGURE A-6

	TOTAL COST OF SERVICES 2024	NET COST OF SERVICES 2024	TOTAL COST OF SERVICES 2023	NET COST OF SERVICES 2023
GENERAL GOVERNMENT	\$ 8,241,614	\$ 7,497,920	\$ 7,054,803	\$ 6,216,193
PUBLIC SAFETY	15,729,458	15,266,455	14,258,118	14,024,599
HEALTH	396,573	385,197	397,516	385,806
TRANSPORTATION	7,397,706	6,616,685	7,213,018	6,085,498
ECONOMIC ASSISTANCE & OPPORTUNITY	85,103	85,103	73,958	73,958
CULTURE AND RECREATION	1,732,554	(1,270,651)	1,649,519	433,779
HOME AND COMMUNITY SERVICES	9,916,460	154,908	10,175,700	842,913
INTEREST ON DEBT	256,887	256,887	252,816	252,816
	<u>\$ 43,756,355</u>	<u>\$ 28,992,504</u>	<u>\$ 41,075,448</u>	<u>\$ 28,315,562</u>

Total cost of services provided by the Town (Figure A-6) for the calendar years ended December 31, 2024 and 2023 were \$43,756,355 and \$41,075,448, respectively. For 2024, these charges were offset by grants and contributions of \$4,452,402 and charges for services of \$10,311,449, resulting in net cost of services of \$28,992,504. This is a \$676,942 increase over last year's net costs of \$28,315,562.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

The Town's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the Town consist of the General Fund, Highway Fund, Water Fund, Sewer Fund and Capital Funds. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

Figure A-7

	December 31, 2024			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund	\$ 925,505	\$ 284,751	\$ 8,400,000	\$ 20,703,669
Highway Fund	184,800	80,708	2,530,495	-
Water Fund	82,845	444,000	8,794,828	-
Sewer Fund	52,270	2,171,051	3,606,623	(397,263)
Capital Fund	-	4,220,158	-	-
Non-Major Funds	2,287	1,118,870	809,297	-
Total	<u>\$ 1,247,707</u>	<u>\$ 8,319,538</u>	<u>\$ 24,141,243</u>	<u>\$ 20,306,406</u>

	December 31, 2023			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund	\$ 809,151	\$ 280,378	\$ 1,649,000	\$ 26,006,763
Highway Fund	148,959	79,469	3,139,769	-
Water Fund	68,264	437,180	9,686,985	-
Sewer Fund	43,930	2,137,796	4,201,747	(271,347)
Capital Fund	-	5,707,695	-	-
Non-Major Funds	1,718	2,469,276	766,038	-
Total	<u>\$ 1,072,022</u>	<u>\$ 11,111,794</u>	<u>\$ 19,443,539</u>	<u>\$ 25,735,416</u>

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town revised the General Fund budgets to reflect additional changes in budgeted revenues and expenditures. Actual revenues exceeded revised budget estimates by \$1,066,305 and after budget adjustments actual expenditures were less than budgeted amounts by \$2,151,330. Figure A-8 summarizes the General Funds original and revised budgets, actual revenues and expenditures and the variances for the year ended December 31, 2024.

Figure A-8

Condensed Budgetary Comparison General Fund	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 11,520,141	\$ 11,520,141	\$ 11,520,141	\$ -
Real property tax items	496,000	496,000	561,931	65,931
Non property taxes	7,142,000	7,142,000	7,973,491	831,491
State and Federal Aid	8,525,589	8,675,589	7,616,160	(1,059,429)
Departmental income	1,001,000	1,001,000	994,468	(6,532)
All other	2,545,000	2,545,000	3,779,844	1,234,844
Total Revenues	31,229,730	31,379,730	32,446,035	1,066,305
EXPENDITURES				
General government support	6,311,425	6,372,158	5,864,807	507,351
Public safety	10,274,618	10,432,461	9,471,430	961,031
Health	4,704	4,704	-	4,704
Transportation	381,191	381,191	303,013	78,178
Economic assistance and opportunity	142,455	121,455	76,057	45,398
Culture & recreation	1,617,281	1,615,005	1,218,057	396,948
Home & community service	134,050	134,050	100,093	33,957
Employee benefits	9,478,000	9,262,443	9,138,680	123,763
Debt service	35,006	41,263	41,263	-
Total Expenditures	28,378,730	28,364,730	26,213,400	2,151,330
Other financing sources	1,649,000	1,649,000		
Other financing uses	4,500,000	4,664,000	4,664,000	-

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

CAPITAL ASSETS

The Town records expenditures for land, buildings, equipment, machinery and infrastructures (roads, water and sewer systems) as capital assets in the Statement of Net Position. Annual depreciation expense is recorded in the Statement of Activities to reflect the use of these assets over their useful lives. Land and construction in progress are not subject to depreciation. The Town's depreciation methods, assumptions regarding useful lives and capitalization thresholds are described in Notes 1 and 6 in the current year's Notes to the Financial Statements.

Under the implementation standards of GASB 34, the Town is considered a small government, and as such is required only to recognize infrastructures on a prospective (going forward) basis. The Town has maintained detailed, separate records of infrastructure additions since 2003. The Town has elected to include infrastructure additions since 2003 in the capital assets section of the Statement of Net Position, as management believes their inclusion provides the reader with a more complete accounting of the Town's investment in capital resources.

In 2024, the Town expended \$13,437,324 on capital additions and recorded \$3,009,581 of depreciation expense. Figure A-9 reflects the changes in net capital assets.

Figure A-9

<i>Changes in Net Capital Assets</i>	Governmental Activities		Total Dollar Change
	2024	2023	
Land	\$ 4,946,261	\$ 4,946,261	\$ -
Construction in Progress	17,238,921	7,873,064	9,365,857
Buildings	2,340,989	2,457,623	(116,634)
Roads and Infrastructure	31,337,863	30,935,364	402,499
Vehicles and Equipment	2,612,944	1,836,923	776,021
Totals	\$ 58,476,978	\$ 48,049,235	\$ 10,427,743

Major additions in 2024 included:

Construction in Progress	\$ 11,976,203
Buildings	35,236
Vehicles and Equipment	1,425,885
Total	<u>\$ 13,437,324</u>

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

DEBT ADMINISTRATION

Debt, both bonds and notes payable, decreased by \$2,191,803 during 2024.

Detailed information regarding the Town's short and long-term liabilities are presented in more detail in Note 8 in the current year's notes to the financial statements. Figure A-10 reflects the changes in the Town's debt for 2024.

Figure A-10

<i>Outstanding Debt</i>	Governmental Activities		Total Dollar Change
	2024	2023	
Bond Anticipation Notes	\$ 700,000	\$ 1,510,000	\$ (810,000)
Lease Liability	37,906	26,609	11,297
Serial Bonds	12,145,000	13,538,100	(1,393,100)
Totals	\$ 12,882,906	\$ 15,074,709	\$ (2,191,803)

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

FINANCIAL CONTACT

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, contact Gil Piaquadio, Town Supervisor or Ronald E. Clum, CPA, Town Accountant, Town of Newburgh, 1496 Route 300, Newburgh, New York 12550.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS

Cash and Cash Equivalents	\$ 51,577,713
Restricted Cash	2,971,410
Other Receivables, Net	8,437,945
Prepaid Expenses	1,247,707
Due from Federal and State	943,013
Right to Use Assets, Net	37,834
Non Depreciable Capital Assets	22,185,182
Depreciable Capital Assets, Net	36,291,795
TOTAL ASSETS	<u>123,692,599</u>

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	5,877,544
Pension Plans (ERS & PFRS)	9,020,976
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>14,898,520</u>

LIABILITIES

Current Liabilities:

Accounts Payable	3,288,947
Accrued Liabilities	990,846
Escrow and Bid Deposits	4,031,054
Bond Anticipation Notes Payable	700,000
Unearned Income	404,735

Long-Term Liabilities:

Due and Payable Within One Year:

Bonds Payable	1,390,000
Lease Liability	16,081

Due and Payable More Than One Year:

Bonds Payable	10,755,000
Lease Liability	21,825
Net Pension Liability - Proportionate Share	9,718,336
Compensated Absences	1,726,305
Other Postemployment Benefits	88,289,233

TOTAL LIABILITIES	<u>121,332,362</u>
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DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	22,074,286
Pension Plans (ERS & PFRS)	4,207,577
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>26,281,863</u>

NET POSITION

Net Investment in Capital Assets	46,331,906
Restricted	8,319,538
Unrestricted	(63,674,550)
TOTAL NET POSITION	<u>\$ (9,023,106)</u>

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>
Governmental Activities:	
General Government	\$ (8,241,614)
Public Safety	(15,729,458)
Health	(396,573)
Transportation	(7,397,706)
Economic Assistance and Opportunity	(85,103)
Culture and Recreation	(1,732,554)
Home and Community Services	(9,916,460)
Interest on Debt	(256,887)
TOTAL PRIMARY GOVERNMENT	<u>\$ (43,756,355)</u>

GENERAL REVENUES

Real Property Taxes
Real Property Taxes - Water Utilities
Real Property Tax Items
Non Property Taxes
Departmental Income
Use of Money and Property
Intergovernmental Charges
Licenses and Permits
Unallocated State and Federal Aid
Sale of Property and Compensation for Loss
Miscellaneous
TOTAL GENERAL REVENUES

Change in Net Position

Net Position - Beginning (As Restated)

Net Position - Ending

See notes to financial statements.

SCHEDULE # 2

CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
\$ 743,694	\$ -	\$ -	\$ (7,497,920)
153,010	309,993	-	(15,266,455)
11,376	-	-	(385,197)
43,138	737,883	-	(6,616,685)
-	-	-	(85,103)
591,692	-	2,411,513	1,270,651
8,768,539	-	993,013	(154,908)
-	-	-	(256,887)
<u>\$ 10,311,449</u>	<u>\$ 1,047,876</u>	<u>\$ 3,404,526</u>	<u>(28,992,504)</u>
			17,732,553
			3,352,000
			959,925
			7,973,491
			6,415
			2,680,755
			462,937
			140
			4,849,706
			131,624
			1,220,901
			<u>39,370,447</u>
			10,377,943
			<u>(19,401,049)</u>
			<u>\$ (9,023,106)</u>

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>WATER</u>
ASSETS			
Cash and Cash Equivalents	\$ 29,848,593	\$ 2,563,023	\$ 4,904,068
Cash in Special Reserves	284,751	80,708	444,000
Other Receivables, Net	5,019,539	42,066	833,704
Due from Federal and State	-	-	-
Due from Other Funds	-	-	3,650,000
Prepaid Expenses	925,505	184,800	82,845
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 36,078,388</u>	<u>\$ 2,870,597</u>	<u>\$ 9,914,617</u>
LIABILITIES			
Accounts Payable	\$ 528,099	\$ 24,069	\$ 577,588
Accrued Liabilities	800,575	50,525	15,356
Escrow and Bid Deposits	4,031,054	-	-
Due to Other Funds	-	-	-
Unearned Income	404,735	-	-
Bond Anticipation Notes Payable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>5,764,463</u>	<u>74,594</u>	<u>592,944</u>
FUND BALANCES			
Nonspendable	925,505	184,800	82,845
Restricted	284,751	80,708	444,000
Assigned	8,400,000	2,530,495	8,794,828
Unassigned	20,703,669	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>30,313,925</u>	<u>2,796,003</u>	<u>9,321,673</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,078,388</u>	<u>\$ 2,870,597</u>	<u>\$ 9,914,617</u>

See notes to financial statements.

SCHEDULE #3

SEWER	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 2,682,483	\$ 9,615,965	\$ 1,963,581	\$ 51,577,713
2,161,951	-	-	2,971,410
677,767	-	-	6,573,076
-	943,013	-	943,013
813,200	-	-	4,463,200
52,270	-	2,287	1,247,707
<u>\$ 6,387,671</u>	<u>\$ 10,558,978</u>	<u>\$ 1,965,868</u>	<u>\$ 67,776,119</u>
\$ 302,957	\$ 1,820,820	\$ 35,414	\$ 3,288,947
6,833	-	-	873,289
-	-	-	4,031,054
645,200	3,818,000	-	4,463,200
-	-	-	404,735
-	700,000	-	700,000
<u>954,990</u>	<u>6,338,820</u>	<u>35,414</u>	<u>13,761,225</u>
52,270	-	2,287	1,247,707
2,171,051	4,220,158	1,118,870	8,319,538
3,606,623	-	809,297	24,141,243
(397,263)	-	-	20,306,406
<u>5,432,681</u>	<u>4,220,158</u>	<u>1,930,454</u>	<u>54,014,894</u>
<u>\$ 6,387,671</u>	<u>\$ 10,558,978</u>	<u>\$ 1,965,868</u>	<u>\$ 67,776,119</u>

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS	
Cash and Cash Equivalents	\$ 51,577,713
Restricted Cash	2,971,410
Prepaid Expenses	1,247,707
Due from Federal and State	943,013
Due from Other Funds	4,463,200
Other Receivables, Net	6,573,076
Right to Use Assets, Net	-
Capital Assets, Net	-
TOTAL ASSETS	<u>67,776,119</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other Postemployment Benefits	-
Pension Plans (ERS & PFRS)	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 67,776,119</u>
LIABILITIES	
Accounts Payable	\$ 3,288,947
Accrued Liabilities	873,289
Escrow and Bid Deposits	4,031,054
Bond Anticipation Notes Payable	700,000
Bonds Payable	-
Lease Liability	-
Due to Other Funds	4,463,200
Net Pension Liability - Proportionate Share	-
Compensated Absences Payable	-
Other Postemployment Benefits	-
Unearned Income	404,735
TOTAL LIABILITES	<u>13,761,225</u>
DEFERRED INFLOWS OF RESOURCES	
Other Postemployment Benefits	-
Pension Plans (ERS & PFRS)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>13,761,225</u>
TOTALS FUND EQUITY/NET POSITION	<u>54,014,894</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 67,776,119</u>

See notes to financial statements.

SCHEDULE # 4

LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATIONS AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
\$ -	\$ -	\$ 51,577,713
-	-	2,971,410
-	-	1,247,707
-	-	943,013
-	(4,463,200)	-
1,864,869	-	8,437,945
37,834	-	37,834
58,476,977	-	58,476,977
<u>60,379,680</u>	<u>(4,463,200)</u>	<u>123,692,599</u>
5,877,544	-	5,877,544
9,020,976	-	9,020,976
<u>14,898,520</u>	<u>-</u>	<u>14,898,520</u>
<u>\$ 75,278,200</u>	<u>\$ (4,463,200)</u>	<u>\$ 138,591,119</u>
\$ -	\$ -	\$ 3,288,947
117,557	-	990,846
-	-	4,031,054
-	-	700,000
12,145,000	-	12,145,000
37,906	-	37,906
-	(4,463,200)	-
9,718,336	-	9,718,336
1,726,305	-	1,726,305
88,289,233	-	88,289,233
-	-	404,735
<u>112,034,337</u>	<u>(4,463,200)</u>	<u>121,332,362</u>
22,074,286	-	22,074,286
4,207,577	-	4,207,577
<u>26,281,863</u>	<u>-</u>	<u>26,281,863</u>
138,316,200	(4,463,200)	147,614,225
(63,038,000)	-	(9,023,106)
<u>\$ 75,278,200</u>	<u>\$ (4,463,200)</u>	<u>\$ 138,591,119</u>

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>WATER</u>
REVENUES			
Real Property Taxes	\$ 11,520,141	\$ 5,415,419	\$ 3,352,000
Real Property Tax Items	561,931	233,119	72,975
Non Property Tax Items	7,973,491	-	-
Departmental Income	994,468	-	4,372,041
Intergovernmental Charges	308,340	-	154,597
Use of Money and Property	1,506,276	185,710	333,383
Licenses and Permits	804,636	43,138	2,500
Fines and Forfeitures	548,229	-	-
Sale of Property and Compensation for Loss	80,307	45,802	-
Miscellaneous	532,056	4,857	131,970
State and Federal Aid	7,616,160	692,935	-
TOTAL REVENUES	<u>32,446,035</u>	<u>6,620,980</u>	<u>8,419,466</u>
EXPENDITURES			
General Government Support	5,864,807	177,133	101,360
Public Safety	9,471,430	-	-
Health	0	-	-
Transportation	303,013	4,679,569	-
Economic Assistance and Opportunity	76,057	-	-
Culture and Recreation	1,218,057	-	-
Home and Community Service	100,093	-	5,744,763
Employee Benefits	9,138,680	1,690,008	586,851
Capital Outlay	-	-	-
Debt Service	41,263	216,463	1,701,551
TOTAL EXPENDITURES	<u>26,213,400</u>	<u>6,763,173</u>	<u>8,134,525</u>
OTHER FINANCING SOURCES (USES)			
BANS Redeemed from Appropriations	-	-	-
Proceeds from Obligations	-	-	-
Operating Transfers In	-	-	73,473
Operating Transfers Out	(4,664,000)	(430,000)	(1,229,170)
TOTAL FINANCING SOURCES (USES)	<u>(4,664,000)</u>	<u>(430,000)</u>	<u>(1,155,697)</u>
Net Change in Fund Balances	1,568,635	(572,193)	(870,756)
Fund Balances-Beginning	28,745,290	3,368,196	10,192,429
Fund Balances-Ending	<u>\$ 30,313,925</u>	<u>\$ 2,796,003</u>	<u>\$ 9,321,673</u>

See notes to financial statements.

SCHEDULE # 5

SEWER	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 796,993	\$ 21,084,553
79,719	-	12,181	959,925
-	-	-	7,973,491
2,806,087	-	1,999	8,174,595
-	-	-	462,937
140,504	405,184	109,698	2,680,755
-	-	-	850,274
-	-	-	548,229
5,515	-	-	131,624
46,018	-	506,000	1,220,901
-	993,013	-	9,302,108
<u>3,077,843</u>	<u>1,398,197</u>	<u>1,426,871</u>	<u>53,389,392</u>
73,972	-	8,578	6,225,850
-	-	-	9,471,430
-	-	392,802	392,802
-	-	290,556	5,273,138
-	-	-	76,057
-	-	-	1,218,057
2,401,303	-	30,375	8,276,534
261,545	-	-	11,677,084
-	12,468,034	-	12,468,034
534,699	-	11,138	2,505,114
<u>3,271,519</u>	<u>12,468,034</u>	<u>733,449</u>	<u>57,584,100</u>
-	810,000	-	810,000
-	36,832	-	36,832
65,329	8,899,094	-	9,037,896
<u>(551,100)</u>	<u>(163,626)</u>	<u>(2,000,000)</u>	<u>(9,037,896)</u>
<u>(485,771)</u>	<u>9,582,300</u>	<u>(2,000,000)</u>	<u>846,832</u>
(679,447)	(1,487,537)	(1,306,578)	(3,347,876)
<u>6,112,128</u>	<u>5,707,695</u>	<u>3,237,032</u>	<u>57,362,770</u>
<u>\$ 5,432,681</u>	<u>\$ 4,220,158</u>	<u>\$ 1,930,454</u>	<u>\$ 54,014,894</u>

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS - REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE, EXPENSES
REVENUES		
Real Property Taxes	\$ 21,084,553	\$ -
Real Property Tax Items	959,925	-
Non Property Tax Items	7,973,491	-
Departmental Income	8,174,595	744,906
Intergovernmental Charges	462,937	-
Use of Money and Property	2,680,755	-
Licenses and Permits	850,274	-
Fines and Forfeitures	548,229	-
Sale of Property and Compensation for Loss	131,624	-
Miscellaneous	1,220,901	-
State and Federal Aid	9,302,108	-
TOTAL REVENUES	53,389,392	744,906
EXPENDITURES		
General Government Support	6,225,850	30,362
Public Safety	9,471,430	101,738
Health	392,802	64
Transportation	5,273,138	26,664
Economic Assistance and Opportunity	76,057	153
Culture and Recreation	1,218,057	8,247
Home and Community Service	8,276,534	11,488
Employee Benefits	11,677,084	(1,318,010)
Capital Outlay	12,468,034	-
Debt Service	2,505,114	(19,592)
TOTAL EXPENDITURES	57,584,100	(1,158,886)
Excess (Deficiency) of Revenues Over Expenditures	(4,194,708)	1,903,792
OTHER SOURCES AND USES:		
Operating Transfers In	9,037,896	-
Operating Transfers Out	(9,037,896)	-
Proceeds of Obligations	36,832	-
Bond Anticipation Notes Redeemed from Appropriations	810,000	-
TOTAL OTHER SOURCES	846,832	-
NET CHANGE FOR THE YEAR	\$ (3,347,876)	\$ 1,903,792

See notes to financial statements.

SCHEDULE # 6

CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
\$ -	\$ -	\$ -	\$ 21,084,553
-	-	-	959,925
-	-	-	7,973,491
-	-	-	8,919,501
-	-	-	462,937
-	-	-	2,680,755
-	-	-	850,274
-	-	-	548,229
-	-	-	131,624
-	-	-	1,220,901
-	-	-	9,302,108
-	-	-	54,134,298
376,619	-	1,608,782	8,241,614
447,765	-	5,708,525	15,729,458
-	-	3,707	396,573
957,249	-	1,140,655	7,397,706
-	-	8,893	85,103
28,248	-	478,002	1,732,554
1,187,219	-	441,219	9,916,460
-	-	(10,359,074)	-
(13,437,324)	-	969,291	-
-	(2,228,635)	-	256,887
(10,440,223)	(2,228,635)	-	43,756,356
10,440,223	2,228,635	-	10,377,942
-	-	(9,037,896)	-
-	-	9,037,896	-
-	(36,832)	-	-
-	(810,000)	-	-
-	(846,832)	-	-
\$ 10,440,223	\$ 1,381,803	\$ -	\$ 10,377,942

See notes to financial statements.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION AND
CHANGES IN FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	<u>CUSTODIAL FUNDS</u>
ASSETS	
Cash	\$ 3,086
TOTAL ASSETS	<u>\$ 3,086</u>
 NET POSITON	
Held in Trust	\$ 3,086
TOTAL NET POSITION	<u>\$ 3,086</u>

CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

ADDITIONS	
Funds Received for School Districts Real Estate Taxes	\$ 16,110,415
Funds Received for Fire District Real Estate Taxes	5,650,077
TOTAL ADDITIONS	<u>21,760,492</u>
 DEDUCTIONS	
Return of Unclaimed Bail	\$ 2,239
Funds Disbursed to School Districts for Real Estate Taxes	16,110,415
Funds Disbursed to Fire District for Real Estate Taxes	5,650,077
TOTAL DEDUCTIONS	<u>21,762,731</u>
CHANGE IN NET POSITION	(2,239)
NET POSITON - BEGINNING OF YEAR	<u>5,325</u>
NET POSITON - END OF YEAR	<u>\$ 3,086</u>

See notes to financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

The accompanying financial statements of the Town of Newburgh 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. Where comparative amounts are presented certain reclassifications may have been made to prior year amounts so that they would be in conformity with the current year's presentation.

The Town follows GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Town's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Financial Reporting Entity

The Town of Newburgh (the "Town") was established in Orange County, New York and is governed by the Town Law, other general municipal laws of the State of New York, and various local laws. The Town Board is the legislative body responsible for the overall operation, the Town Supervisor serves as Chief Executive Officer and Chief Fiscal Officer.

The Town provides the following principal services: police protection, transportation (streets and highways), recreation, planning and zoning, general administration, public improvements, ambulatory services, water and sewer and other home and community services.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

A. Financial Reporting Entity (Continued)

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement #14, "The Financial Reporting Entity:"

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

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement #14, including legal standing, fiscal dependency, and financial accountability.

Based on the application of the above criteria, no other entities are included in the reporting entity.

B. Basis of Presentation

1. Government-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Government 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, while the capital grants column reflects capital-specific grants.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Basis of Presentation (Continued)

2. Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major Governmental Funds, each displayed in a separate column. All remaining Governmental Funds are aggregated and reported as non-major funds.

The Town of Newburgh reports the following major Governmental Funds:

- **General Fund:** This is the Town's primary operating fund. It accounts for all financial transactions that are not required by law or other provision to be accounted for in other funds.
- **Highway Fund:** Used to account for revenues and expenditures for highway purposes.
- **Water Funds:** Established by law to account for revenues derived from charges for water consumption and benefited assessments and the application of such revenues toward related operating expenses and debt retirement.
- **Sewer Funds:** Established by law to account for revenues derived from sewer rents and benefited assessments and used for related operating expenses and debt retirement.
- **Capital Projects Funds:** Used to account for capital improvements financed from current monies transferred from other funds, federal and state grants and proceeds of obligations.

The Town also reports the following non-major funds:

- **Drainage District Fund:** Used to record operation and maintenance transactions. Revenues derived from special districts' assessment.
- **Lighting District Funds:** Used to record operation and maintenance transactions. Revenues derived from special districts' assessment.
- **Highway District Funds:** Used to record operation and maintenance transactions. Revenues derived from special districts' assessment.
- **Debt Service Fund:** Used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.
- **Parklands Fund:** Established to account for funds received as Parkland Funds
- **Ambulance District Fund:** Used to record operation and maintenance transactions. Revenues derived from special districts' assessment.

The Town reports the following fiduciary funds:

- **Custodial Funds:** Used to account for those funds held in custody and subsequent distributions, transmittal or release to other governments, individuals or to other funds.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Measurement Focus and Basis of Accounting

The Government-Wide 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. None change 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 funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

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

D. Property Taxes

Town real property taxes are levied annually on January 1, and become a lien on that date. Taxes are collected during the period January 1 to January 31 at face value and from February 1 to March 31 with interest added. The Town Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town Supervisor prior to distributing the balance collected to the County on June 1. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

E. Budgetary Data

1. Budget Policies - The budget policies are as follows:

- a. No later than October 5, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board. However, the Town Supervisor is authorized to transfer certain budgeted amounts within departments.

2. Encumbrances

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

F. Cash and Investments

The Town of Newburgh's investment policies are governed by State statutes. In addition, the Town of Newburgh has its own written investment policy. Town of Newburgh's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The supervisor is authorized to use demand account and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand 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 the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government and New York State. Underlying securities must have market value of at least the cost of the repurchase agreement.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Accounts Receivable

Accounts receivable are shown net, 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 not be material. All receivables are expected to be collected within the subsequent fiscal year.

H. Due To/From Other Funds

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. A detailed description of the individual fund balances are provided subsequently in these notes.

I. Inventories and Prepaid Items

Purchases of inventorable items are recorded as expenditures in the Government Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

J. Capital Assets

Capital assets are reported at historical costs. The Town depreciates capital assets using the straight-line method over the estimated useful life of the assets. Capitalization thresholds (the dollar value above which capital asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 15,000	40 years
Machinery & Equipment	\$ 15,000	5-10 years
Vehicles	\$ 15,000	5-10 years

K. Right to Use Assets

A right of use asset is a lessee's right to use an asset over the life of the lease. Right to use assets are reported at present value.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

L. Infrastructure

The Town includes long-lived improvements to roads, water and sewer systems as capital assets in the Government-wide statements. Infrastructures are reported at historical costs and are depreciated using the straight-line method over their estimated useful lives.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Roads and Infrastructure	\$ 15,000	15 years

M. Deferred Outflows and 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 one item that qualifies for reporting in this category. This 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. Lastly is the Town contributions to the pension systems (ERS and PFRS Systems) subsequent to the measurement date. The second item is related to other postemployment benefits reported in the town-wide Statement of Net Position. For additional information on deferred outflows related to other postemployment benefits, see Note 8.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS and PFRS System) and difference during the measurement periods between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits reported in the town-wide Statement of Net Position. For additional information on deferred inflows related to other postemployment benefits, see Note 8.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Vested Employee Benefits

Employees accrue (earn) vacation leave based on the number of years employed up to a maximum per the individual contracts. Upon separation from service, employees are paid for unused vacation time.

Employees accrue (earn) sick leave and may accumulate such credits per the individual contracts.

A liability for accrued vacation and sick time is reflected in the Government-wide statements under the heading "Compensated Absences".

The Town's employees participate in the New York State Employees' Retirement System and New York State Police and Fire Retirement Systems.

In addition to providing pension benefits, the Town of Newburgh provides health insurance coverage for retired employees. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the community. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

O. Workers' Compensation Insurance

In addition to the annual premiums, the Town is responsible for the residual (tail) claims that arose prior to the termination of their participation in the County of Orange Plan. For the year ended December 31, 2024, the Town incurred tail claims in the amount of \$195,941 as well as current coverage premiums of \$579,070 for a total of \$775,011 in Workers' Compensation Insurance Coverage expenditures during 2024. These amounts are recorded in the Governmental Funds.

The Town will continue to be responsible for tail claims originating prior to the termination of their participation in the County of Orange Plan. The County of Orange communicated a potential "buyout" of the tail claims obligation to the Town, but the Town elected not to fund a buyout of the tail claims with the County of Orange at the time that participation in the Plan was terminated. The Town acknowledges that a significant obligation for tail claims exists, but does not believe that their tail claims obligation is reasonably determinable as of December 31, 2024, and no amount has been included for this obligation in these financial statements. In addition, the amount by which this omission would affect the assets and expenses of the governmental activities is not reasonably determinable.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Unemployment Insurance

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the Town's account. The Town is exempt for federal unemployment insurance tax.

Q. Risk Retention

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

R. Restricted Resources

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

S. Equity Classification

1. Government-wide Statements

In the government-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, constructions or improvements of those assets. (See Schedule #21)

Restricted - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classification (Continued)

2. Funds Statements

The Town follows GASB Statement No. 54. The purpose of this accounting standard is to provide fund balance categories and classifications that are more easily understood by users of financial statements and consistently applied by towns. This standard sets forth hierarchical fund balance classifications that are based primarily upon the extent to which a Town is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description on the five fund balance classifications that the Town can utilize:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balances at December 31, 2024 are as follows:

General	\$ 925,505
Highway	184,800
Water	82,845
Sewer	52,270
Ambulance	<u>2,287</u>
Total	<u>\$ 1,247,707</u>

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. Restricted fund balance at December 31, 2024 consisted of:

<u>General Fund:</u>	
Insurance	\$ 44,108
Computer Equipment	29,680
Tax Stabilization	210,963
<u>Highway Fund:</u>	
Snow Removal	36,513
Equipment	11,713
Building	32,482
Water Fund - Improvements	444,000
<u>Sewer Funds:</u>	
Nob Hill	62,253
Crossroads	2,108,798
Capital Projects	4,220,158
Ambulance	135,197
Parklands	983,673
	<u>\$ 8,319,538</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classification (Continued)

2. Funds Statements (Continued)

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. The Town did not classify any of its fund balances as committed as of December 31, 2024.

Assigned: Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. Assigned fund balance in the General Fund, Highway Fund, Water District, Sewer Districts, and Drainage Districts includes \$8,400,000, \$1,785,000, \$869,932, \$1,252,151, and \$2,870, respectively, assigned to be used to reduce the tax levy for the year ended December 31, 2025. This assignment is made when the tax levy is set by the Town Board pursuant to the Town's annual budget policy.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

T. Interfund Transfers

The operations of the Town gives rise to certain transactions between funds, including transfers to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for inter-fund transfers have been eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these Notes.

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS.

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the Government Funds.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the Town’s Governmental Funds differ from “net position” of governmental activities reported in the Statement of Net Position. This 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.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

(1) The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 195,695,179
Accumulated Depreciation	<u>(137,218,201)</u>
Capital Assets, Net	<u>\$ 58,476,978</u>

(2) The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the Town as a whole, with the present value capitalized and amortization expensed annually of the period of use.

Original Cost of Right to Use Assets	\$ 149,623
Accumulated Amortization	<u>(111,789)</u>
Right to Use Asset, Net	<u>\$ 37,834</u>

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:
(Continued)

(3) Long-term receivables are reported in the Statement of Net Position, but not in the governmental funds, because they are not expected to be received within 60 days of year end. Balances at year end were:

Fourth Quarter 2024 Water and Sewer Billings	<u>\$ 1,864,869</u>
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(4) Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at December 31, 2024	<u>\$ (117,557)</u>
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(5) Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds Payable	\$ (12,145,000)
Lease Liability	(37,906)
Deferred Outflows – Other Postemployment Benefits	5,877,544
Other Postemployment Benefits	(88,289,233)
Deferred Inflows – Other Postemployment Benefits	(22,074,286)
Compensated Absences	<u>(1,726,305)</u>
	<u>\$ (118,395,186)</u>

(6) In the Statement of Net Position, a liability is recognized for the Town’s proportionate share of the net pension liability attributable to each defined benefit pension plan in which the Town participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan’s fiduciary net position. If a pension plan’s fiduciary net position exceeds its total pension liability, the Town’s proportionate share of the pension plan’s net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources.

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:
(Continued)

These balances at December 31, 2024 were as follows:

Deferred Outflows of Resources – Pension	\$ 9,020,976
Net Pension Liability, Proportionate Share (PFRS)	(9,718,336)
Deferred Inflows of Resources – Pension	<u>(4,207,577)</u>
	<u>\$ (4,904,937)</u>

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities:

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent these differences as follows:

- Long-term revenue differences arise because Governmental Funds report revenues only when they are considered “available”, whereas the Statement of Activities reports 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.
- Capital related differences include the difference 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.
- 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.
- Pension Plan Related Differences occur as a result of changes in the Town’s proportion of the collective net pension asset/liability and differences between the Town’s contributions and its proportionate share of the total contributions to the pension system.

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities: (Continued)

- Other Postemployment Benefit (OPEB) related differences occur as a result of changes in the Town's total OPEB liability and differences between the Town's contributions and OPEB expense.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the Government Fund Statements and the change in net position reported in the Statement of Activities.

Total Revenues

Total revenues reported in governmental funds	\$	53,389,392
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Water and sewer billings are recognized in the Statement of Activities under full accrual accounting, whereas they are recognized when measurable and available in the governmental fund statements. This is the amount by which the fourth quarter billings for the prior year exceeded the fourth quarter billings for the current year.

744,906

Total revenues in the Statement of Activities	\$	<u>54,134,298</u>
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TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities: (Continued)

Total Expenditures/Expenses

Total expenditures reported in governmental funds	\$	57,584,100
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The liability for compensated absences increased during the year.

		178,716
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When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$13,437,324 were more than depreciation of \$3,009,581 in the current year.

		(10,427,743)
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When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets of \$36,832 is Capitalized and the expense is allocated over the period of use and reported as amortization of \$24,352.

		(12,480)
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(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. (PFRS of \$613,181 and ERS of \$321,287)

		934,468
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TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities: (Continued)

Total Expenditures/Expenses (Continued)

In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expense in the Statement of Activities was less than the amount of financial resources used during the year.	(2,252,478)
Interest payable is recognized in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year is more than the interest payable last year.	(19,592)
Payment of lease principal is an expenditure in the governmental funds, but does reduce liabilities in the Statement of Net Position, and does affect the Statement of Activities.	(25,535)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not affect the Statement of Activities.	<u>(2,203,100)</u>
Total expenses in the Statement of Activities	<u>\$ 43,756,356</u>

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES.

For the year ended December 31, 2024, the Town implemented GASB Statement #101, *Compensated Absences*. The implementation of the statement establishes criteria for measuring compensated absences for accounting and financial reporting purposes.

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

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these Notes.

The Town's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	0.
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Town's name		\$54,530,009

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$2,971,410 within the governmental funds.

The Town does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The Town also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The Town participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

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

NOTE 5. INTERFUND ACTIVITY.

Interfund receivables and payables at December 31, 2024, were as follows:

<u>Fund Type</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Sewer (Multiple Districts)	\$ 813,200	\$ 645,200
Capital	-	3,818,000
Water	<u>3,650,000</u>	-
Total	<u>\$4,463,200</u>	<u>\$4,463,200</u>

Interfund transfers in and transfers out at December 31, 2024, were as follows:

<u>Fund Type</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General	\$ -	\$4,664,000
Highway	-	430,000
Water	73,473	1,229,170
Sewer	65,329	551,100
Parklands	-	2,000,000
Capital	<u>8,899,094</u>	<u>163,626</u>
Total	<u>\$9,037,896</u>	<u>\$9,037,896</u>

NOTE 6. RIGHT TO USE ASSETS.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Right to Use Assets that are Being Amortized:				
Equipment	\$ 112,791	\$ 36,832	\$ -	\$ 149,623
Total Accumulated Amortization	<u>(87,437)</u>	<u>(24,352)</u>	<u>-</u>	<u>(111,789)</u>
Total Right to Use Assets, Net	<u>\$ 25,354</u>	<u>\$ 12,480</u>	<u>\$ -</u>	<u>\$ 37,834</u>

Amortization was charged to governmental functions as follows:

General Government Support	\$ 10,005
Transportation	<u>14,347</u>
Total Amortization Expense	<u>\$ 24,352</u>

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

NOTE 7. 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>Disposals and Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets that are not Depreciated:				
Land	\$ 4,946,261	\$ -	\$ -	\$ 4,946,261
Construction in Progress	7,873,064	11,976,203	(2,610,346)	17,238,921
Total Non-Depreciable Historical Cost	<u>12,819,325</u>	<u>11,976,203</u>	<u>(2,610,346)</u>	<u>22,185,182</u>
Capital Assets that are Being Depreciated:				
Buildings	9,944,559	35,236	-	9,979,795
Roads and Infrastructure	149,855,345	-	2,610,346	152,465,691
Vehicles and Equipment	10,410,577	1,425,885	(771,951)	11,064,511
Total Depreciable Historical Assets	<u>170,210,481</u>	<u>1,461,121</u>	<u>1,838,395</u>	<u>173,509,997</u>
Less Accumulated Depreciation:				
Buildings	7,486,936	151,870	-	7,638,806
Roads and Infrastructure	118,919,981	2,207,847	-	121,127,828
Vehicles and Equipment	8,573,654	649,864	(771,951)	8,451,567
Total Accumulated Depreciation	<u>134,980,571</u>	<u>3,009,581</u>	<u>(771,951)</u>	<u>137,218,201</u>
Total Historical Cost, Net	<u>\$ 48,049,235</u>	<u>\$ 10,427,743</u>	<u>\$ -</u>	<u>\$ 58,476,977</u>

Depreciation was charged to governmental functions as follows:

General Government Support	\$ 403,446
Public Safety	447,765
Transportation	942,902
Culture and Recreation	28,248
Home and Community Services	<u>1,187,219</u>
Total Depreciation Expense	<u>\$ 3,009,581</u>

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

NOTE 8. LIABILITIES.

A. Short-Term Debt

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter. For short-term financing, the Town of Newburgh redeems (pays down) one-fifth (1/5) of the original BAN borrowing.

State law requires that BAN's issued for capital purposes are converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. As of December 31, 2024, one Bond Anticipation Notes (BAN's) was outstanding for a total amount of \$700,000. These temporary funds were borrowed to assist with financing the renovation and construction of various projects.

See Schedule #22 for a summary of Town of Newburgh's outstanding bond anticipation notes for the year ended December 31, 2024.

Interest in short-term debt paid during the year was:

Interest paid	\$ 66,627
Less interest accrued - prior year	(42,259)
Plus interest accrued - current year	<u>31,500</u>
	<u>\$ 55,868</u>

B. Leases

Town as Lessee

Lease agreements are summarized as follows:

Lease Note	Original Date	Maturity Date	Balance December 31, 2024
Synovia	8/13/2020	7/13/2025	\$ 8,911
PB- Town Hall	12/1/2023	12/1/2028	14,416
PB- Court House	4/16/2019	3/16/2024	<u>14,579</u>
			<u>\$ 37,906</u>

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

NOTE 8. LIABILITIES. (Continued)

B. Leases (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

December 31,	Principal Amount	Interest Amount	Total Amount
2025	\$ 16,081	\$ 861	\$ 16,942
2026	7,389	329	7,718
2027	7,613	643	8,256
2028	6,823	100	6,923
	<u>\$ 37,906</u>	<u>\$ 1,933</u>	<u>\$ 39,839</u>

C. Long-Term Debt

The Town of Newburgh 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.

At December 31, 2024, the total long-term indebtedness outstanding of the Town of Newburgh aggregated \$12,145,000. See Schedule #22 for a breakdown.

Interest on long-term debt paid during the year was:

Interest paid	\$ 209,852
Less interest accrued - prior year	(94,890)
Plus interest accrued - current year	<u>86,057</u>
	<u>\$ 201,019</u>

Long-term liability balances and activity for the year are summarized below:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Installment Purchase Debt and Serial Bonds	\$13,538,100	\$ -	\$ 1,393,100	\$12,145,000
Other liabilities:				
Other Postemployment Benefits	100,557,470	7,496,235	19,764,472	88,289,233
Net Pension Liability	12,049,304	-	2,330,968	9,718,336
Compensated absences	<u>1,547,589</u>	<u>178,716</u>	<u>-</u>	<u>1,726,305</u>
Total long-term liabilities	<u>\$127,692,463</u>	<u>\$ 7,674,951</u>	<u>\$ 23,488,540</u>	<u>\$111,878,874</u>

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

NOTE 8. LIABILITIES. (Continued)
C. Long-Term Debt (Continued)

Activity for compensated absences is shown at net due to the impracticability of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

The following is a summary of the maturity of long-term indebtedness:

<u>December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Amount</u>
2025	\$ 1,390,000	\$ 190,416	\$ 1,580,416
2026	1,420,000	171,698	1,591,698
2027	1,455,000	178,483	1,633,483
2028	1,485,000	162,112	1,647,112
2029	1,520,000	144,277	1,664,277
2030-2034	4,050,000	377,451	4,427,451
2035-2037	825,000	49,500	874,500
	<u>\$ 12,145,000</u>	<u>\$ 1,273,937</u>	<u>\$ 13,418,937</u>

D. Postemployment Benefits

General Information about the OPEB Plan

Plan Description – The Town’s defined benefit OPEB plan (“the Town’s OPEB plan”), provides OPEB for all permanent full-time general and public safety employees of the Town. The Town’s OPEB plan is a single-employer defined benefit OPEB plan administered by the Town.

Benefits Provided – The Town’s OPEB plan provides healthcare benefits for retirees and their dependents.

Medical Benefits: The Plan is a fully insured plan. Current retiree premium rates are as follows:

- | | |
|----------------------------|------------------------------|
| a) Individual Pre-age 65: | Generally \$1,480 per month. |
| b) Family Pre-age 65: | Generally \$3,368 per month. |
| c) Individual Post-age 65: | Generally \$552 per month. |
| d) Family Post-age 65: | Generally \$1,512 per month. |

Medicare Part B premiums paid by the Town at \$185/month.

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

NOTE 8. LIABILITIES. (Continued)

D. Postemployment Benefits (Continued)

Minimum eligibility requirements for postemployment benefits are as follows:

Management: *Date of Hire prior to 12/14/11:* An employee must retire and have completed at least 8 years of continuous service with the Town. *Date of Hire on or after 12/14/11:* An employee must retire and have completed at least 20 years of continuous service with the Town.

CSEA: *Date of Hire prior to 9/20/2010:* An employee must retire and have completed 10 years of continuous service with the Town. *Date of Hire on or after 9/20/2010:* An employee must retire and have completed at least 20 years of continuous service with the Town.

Police: An employee must retire and have completed at least 15 years of continuous service with the Town, or retire early due to a job related injury or illness.

Spousal benefit upon retiree’s death: Coverage continued, spouse pays full current premium.

Funding Policy: The contribution requirements of Plan members and the Town are established by the Town. The employer’s funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay-as-you-go). Current New York State law prohibits municipalities from pre-funding retire medical benefit obligations in a Trust.

Employees Covered by Benefit Terms – At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	151
Active employees	104
Total Employees Covered by Benefit Terms	255

Total OPEB Liability

The Town’s total OPEB liability of \$88,289,233 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

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

NOTE 8. LIABILITIES. (Continued)

D. Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	1/1/2024 (12/31/24 Census Date)
Projected Salary Increases	3.00%
Discount Rate	4.28% (3.28% and 5.28% are illustrated for sensitivity)
Healthcare Cost Trend Rates	7.00% for 2024, decreasing to an ultimate rate of 4.50% for 2031 and later years
Mortality	PUB-2010 mortality table, MP-2021 projection
Withdrawal	Sarasson T-5 Table
Retirement Rates	10.00% for retirement age of 55, 3.00% for 56-59, 5.00% for 60-64 and 100% for 65 and over
Marital - Actives	Wife is assumed to be same age as the husband. 70 % of males and 50% of females are assumed married.
Participation Rate	100% of eligible retirees are expected to participate
Inflation Rate	3% Annum
Asset Valuation Method	Market Value
Amortization Basis	For experience gains/losses - average expected future working lifetime of the whole group
	Assumption Changes: Average Expected Future Working

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024 is 4.28%.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2024 - December 31, 2024.

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

NOTE 8. LIABILITIES. (Continued)

D. Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

Balance at December 31, 2023	\$ 100,557,470
<u>Changes for the Year:</u>	
Service cost	1,907,522
Interest	3,940,772
Changes of benefit terms	1,647,941
Differences between expected and actual experience	(10,024,919)
Changes in assumptions or other inputs	(5,663,189)
Benefit payments	(4,076,364)
Net Changes	(12,268,237)
Balance at December 31, 2024	\$ 88,289,233

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 (3.28 percent) or 1 percentage point higher (5.28 percent) than the current discount rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	\$ 101,551,034	\$ 88,289,233	\$ 77,597,451

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

	Trend Rate Less 1% (6% decreasing to 3.5%)	Current Health Care Cost Trend Rates (7% decreasing to 4.5%)	Trend Rate Plus 1% (8% decreasing to 5.5%)
Total OPEB Liability	\$ 77,194,960	\$ 88,289,233	\$ 102,195,538

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

NOTE 8. LIABILITIES. (Continued)

D. Postemployment Benefits (Continued)

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 \$1,823,886. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,557,036	\$ 7,980,024
Changes of assumptions or other inputs	<u>2,320,508</u>	<u>14,094,262</u>
Total	<u>\$ 5,877,544</u>	<u>\$ 22,074,286</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2025	\$ (10,932,874)
2026	(1,341,841)
2027	(3,922,027)

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

NOTE 9. PENSION PLANS.

Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at:

<https://www.osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information>, or obtained by writing to the New York State and Local Retirement System, 110 State St., Albany, NY 12244.

ERS and PFRS Benefits Provided

The ERS and PFRS Systems provide retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

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

NOTE 9. PENSION PLANS. (Continued)

ERS and PFRS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

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

NOTE 9. PENSION PLANS. (Continued)

ERS and PFRS Benefits Provided (Continued)

Tier 6 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

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

NOTE 9. PENSION PLANS. (Continued)

ERS and PFRS Benefits Provided (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Funding Policy

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976 and prior to January 1, 2010, who contribute 3% of their salary for the first ten years of membership. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS fiscal year ending March 31. The Town's contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	ERS	PFRS
2024	\$ 802,564	\$ 1,398,955
2023	639,019	1,261,975
2022	793,507	1,192,484

Town contributions made to the Systems were equal to 100% of the contributions required for each year. Since 1989, the Systems' billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the Systems' fiscal year ended March 31, 2005 (which otherwise were to have been paid on December 15, 2005) over a 10 year period, with an 8.00% interest factor added. Local governments were given the option to prepay this liability. The Town elected to prepay this liability.

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

NOTE 9. PENSION PLANS. (Continued)

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

	<u>ERS</u>	<u>PFRS</u>
Actuarial Valuation Date	4/1/2023	4/1/2023
Net Pension Asset/(Liability)	\$ (2,814,891)	\$ (6,903,445)
Town's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0191176%	0.1455566%

For the year ended December 31, 2024, the Town's recognized pension expense of \$1,260,957 for ERS and \$2,227,905 for PFRS. At December 31, 2024 the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 906,674	\$ 2,126,859	\$ 3,033,533
Changes of Assumptions	1,064,247	2,603,985	3,668,232
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and difference between the District's contributions and proportionate share of contributions	161,147	152,315	313,462
Town's contributions subsequent to the measurement date	740,104	1,265,645	2,005,749
Total	<u>\$ 2,872,172</u>	<u>\$ 6,148,804</u>	<u>\$ 9,020,976</u>

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

NOTE 9. PENSION PLANS. (Continued)

	Deferred Inflows or Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 76,755	\$ -	\$ 76,755
Changes of Assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	1,375,059	1,873,952	3,249,011
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	29,990	851,821	881,811
Town's contributions subsequent to the measurement date	-	-	-
Total	\$ 1,481,804	\$ 2,725,773	\$ 4,207,577

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

Year Ended March 31,:	<u>ERS</u>	<u>PFRS</u>
2025	\$ 489,245	\$ 697,201
2026	(571,483)	(1,880,623)
2027	(847,340)	(1,004,620)
2028	279,313	286,039
2029	-	(255,383)

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

NOTE 9. PENSION PLANS. (Continued)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Inflation Rate	2.9%	2.9%
Projected Salary Increases	4.40%	6.20%
Projected Cost of Living Adjustments	1.5%	1.5%
Investment Rate of Return	5.9% compounded annually, net of investment expenses	5.9% compounded annually, net of investment expenses
Decrements	Actuarial experience study for the period April 1, 2015 to March 31, 2020	Actuarial experience study for the period April 1, 2015 to March 31, 2020
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

For ERS and PFRS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2021.

For ERS and PFRS, 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.

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

NOTE 9. PENSION PLANS. (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS & PFRS	
	March 31, 2024	
	Target Allocation	Long-term expected real rate of return
<u>Asset Class:</u>		
Domestic Equity	32%	4.00%
International Equity	15%	6.65%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic /ARS portfolio	3%	5.23%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.90 percent.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers 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.

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

NOTE 9. PENSION PLANS. (Continued)

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and PFRS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% for ERS and PFRS) or 1-percentage-point higher (6.9% for ERS and PFRS) than the current rate:

<u>ERS</u>	<u>1% Decrease 4.90%</u>	<u>Current Assumption 5.90%</u>	<u>1% Increase 6.90%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (8,850,305)	\$ (2,814,891)	\$ 2,225,932
<u>PFRS</u>	<u>1% Decrease 4.90%</u>	<u>Current Assumption 5.90%</u>	<u>1% Increase 6.90%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (16,134,970)	\$ (6,903,445)	\$ 723,144

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurements dates were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2024	March 31, 2024
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (46,137,717)
Plan net position	225,972,801	41,394,895
Employer's net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (4,742,822)</u>

Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	89.72%
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TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9. PENSION PLANS. (Continued)

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2024 represent the projected employer contributions for the period of April 1, 2024 through December 31, 2024 based on paid ERS and PFRS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2024 amounted to \$668,583.

NOTE 10. DEFICIT FUND BALANCES.

The Roseton Sewer District had a deficit fund balance at December 31, 2024 of \$381,221. The deficit will be eliminated by increasing the tax levy for the fund and controlling expenditures.

NOTE 11. UNASSIGNED FUND BALANCES.

Of the \$30,313,925 in General Fund fund balance, \$8,400,000 has been appropriated by the Town for 2025 expenditures, \$284,751 in restricted fund balance, and \$925,505 in Nonspendable, resulting in unassigned fund balance of \$20,703,669.

NOTE 12. CONTINGENCIES.

A. Compliance with Grant Programs

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 Town administration believes disallowances, if any, will be immaterial.

B. Litigation

The Town is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provision for loss contingencies that may result from these proceedings. While the outcome cannot be predicted, the Town believes that any settlement not covered by insurance would not have a material adverse effect on the financial condition of the Town.

NOTE 13. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

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

NOTE 14. RISK MANAGEMENT.

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; Workers' Compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There has been no reduction in insurance coverage from that in prior years.

NOTE 15. SUBSEQUENT EVENTS.

Subsequent events have been evaluated through May 5, 2025, the date these financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

NOTE 16. PROPERTY TAX ABATEMENTS

The Town is party to three real property tax abatement agreements entered into by the Orange County IDA ("IDA") under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes ("PILOT") in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law, Title I of the Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the IDA grants PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to the PILOT agreements in effect for the year ended December 31, 2024:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
07/01/07	Welltower OM Group LLC	\$ 5,144,000	16.0440	\$ 82,530	\$ 66,601	\$ 15,929
12/01/14	Danskammer Energy, LLC	41,501,000	16.0440	665,842	281,869	383,973
1/1/2018	AMSCAM/MATRIX	25,436,400	16.0440	408,102	127,409	280,693

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

NOTE 17. RESTATEMENT OF NET POSITION

GASB 101 Adjustment

For the year ended December 31, 2024, the Town implemented GASB Statement 101, *Compensated Absences*. GASB 101, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

As a result of implementing this statement, the Town's net position as of December 31, 2023 has been restated as follows:

Net Position at December 31, 2023	\$ (18,586,915)
Less: GASB 101, <i>Compensated Absences</i> Adjustment	(814,134)
Net Position at December 31, 2023, as restated	<u><u>\$ (19,401,049)</u></u>



Nugent & Haeussler, P.C.
 CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR’S 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

Peter J. Bullis, CPA, FACFEI, DABFA
 Christopher E. Melley, CPA
 Gary C. Theodore, CPA
 Julia R. Fraino, CPA
 William T. Trainor, CPA
 Mark M. Levy, CPA, CFP
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 Jennifer L. Capicchioni, CPA
 Patrick M. Bullis, CPA
 Justin B. Wood, CPA
 Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
 Walter J. Jung, CPA

To the Supervisor and Members
 of the Town Board
 Town of Newburgh
 Newburgh, N.Y. 12550

We have audited, in accordance with the 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 fiduciary fund of the Town of Newburgh, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Town of Newburgh’s basic financial statements and have issued our report thereon dated May 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Newburgh’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 Newburgh’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Newburgh’s internal control.

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

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

100th ANNIVERSARY

1925 - 2025

To the Supervisor and Members
of the Town Board
Town of Newburgh

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Newburgh's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 results 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.

Nugent & Haessler PC

Montgomery, New York
May 5, 2025



Nugent & Haeussler, P.C.
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ESTABLISHED 1925

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

To the Supervisor and Members
of the Town Board
Town of Newburgh
Newburgh, N.Y. 12550

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Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Newburgh'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 Town of Newburgh's major federal programs for the year ended December 31, 2024. Town of Newburgh's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Newburgh 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 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 Town of Newburgh and to meet our other ethical responsibilities, 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 of Town of Newburgh's compliance with the compliance requirements referred to above.

100th ANNIVERSARY

1925 - 2025

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 Town of Newburgh's federal programs.

Auditor's Responsibilities 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 Town of Newburgh'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 Town of Newburgh'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 Town of Newburgh'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 Town of Newburgh'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 Town of Newburgh'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.

Nugent & Haussler PC

Montgomery, New York
May 5, 2025

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>			
Passed-through New York State:			
Congressionally Mandated Projects	66.202	CG-96216424	943,013
Total Passed-through New York State			943,013
TOTAL U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY			943,013
<u>U.S. DEPARTMENT OF TREASURY</u>			
Passed-through New York State:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,411,513
Total Passed-through New York State			2,411,513
TOTAL U.S. DEPARTMENT OF TREASURY			2,411,513
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 3,354,526</u>

The accompanying notes are an integral part of the schedule.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the Town, which is described in Note 1 to the Town's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The Town's policy is not to charge federal award programs with indirect costs.

Matching costs (the Town's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the Town's financial reporting system.

NOTE 3. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the Town's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal Control over Major Programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)? _____ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS:

<u>ASSISTANCE LISTING NUMBERS</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
66.202	Congressionally Mandated Projects

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real Property Taxes	\$ 11,520,141	\$ 11,520,141	\$ 11,520,141	\$ -
Real Property Tax Items	496,000	496,000	561,931	65,931
Non-Property Tax Items	7,142,000	7,142,000	7,973,491	831,491
Departmental Income	1,001,000	1,001,000	994,468	(6,532)
Intergovernmental Charges	240,000	240,000	308,340	68,340
Use of Money and Property	260,000	260,000	1,506,276	1,246,276
Licenses and Permits	923,500	923,500	804,636	(118,864)
Fines and Forfeitures	604,500	604,500	548,229	(56,271)
Sale of Property and Compensation for Loss	44,000	44,000	80,307	36,307
Miscellaneous	473,000	473,000	532,056	59,056
State Aid	5,823,589	5,973,589	5,166,402	(807,187)
Federal Aid	2,702,000	2,702,000	2,449,758	(252,242)
TOTAL REVENUES	<u>31,229,730</u>	<u>31,379,730</u>	<u>\$ 32,446,035</u>	<u>\$ 1,066,305</u>
OTHER SOURCES				
Appropriated Fund Balance	<u>1,649,000</u>	<u>1,649,000</u>		
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 32,878,730</u>	<u>\$ 33,028,730</u>		
EXPENDITURES				
General Government Support	\$ 6,311,425	\$ 6,372,158	\$ 5,864,807	\$ 507,351
Public Safety	10,274,618	10,432,461	9,471,430	961,031
Health	4,704	4,704	-	4,704
Transportation	381,191	381,191	303,013	78,178
Economic Assistance and Opportunity	142,455	121,455	76,057	45,398
Culture and Recreation	1,617,281	1,615,005	1,218,057	396,948
Home and Community Services	134,050	134,050	100,093	33,957
Employee Benefits	9,478,000	9,262,443	9,138,680	123,763
Debt Service	35,006	41,263	41,263	-
TOTAL EXPENDITURES	<u>28,378,730</u>	<u>28,364,730</u>	<u>26,213,400</u>	<u>2,151,330</u>
OTHER USES				
Operating Transfers Out	<u>4,500,000</u>	<u>4,664,000</u>	<u>4,664,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 32,878,730</u>	<u>\$ 33,028,730</u>	<u>\$ 30,877,400</u>	<u>\$ 2,151,330</u>

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Real Property Taxes	\$ 5,415,419	\$ 5,415,419	\$ 5,415,419	\$ -
Real Property Tax Items	230,000	230,000	233,119	3,119
Use of Money and Property	40,000	40,000	185,710	145,710
Licenses and Permits	-	-	43,138	43,138
Sale of Property and Compensation for Loss	22,000	22,000	45,802	23,802
Miscellaneous	1,000	1,000	4,857	3,857
State Aid	625,000	625,000	692,935	67,935
TOTAL REVENUES	<u>6,333,419</u>	<u>6,333,419</u>	<u>\$ 6,620,980</u>	<u>\$ 287,561</u>
OTHER SOURCES				
Appropriated Fund Balance	<u>1,900,000</u>	<u>1,900,000</u>		
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 8,233,419</u>	<u>\$ 8,233,419</u>		
EXPENDITURES				
General Government Support	\$ 336,000	\$ 296,010	\$ 177,133	\$ 118,877
Transportation	5,568,325	5,236,376	4,679,569	556,807
Employee Benefits	2,019,900	2,046,249	1,690,008	356,241
Debt Service	209,194	224,784	216,463	8,321
TOTAL EXPENDITURES	<u>8,133,419</u>	<u>7,803,419</u>	<u>6,763,173</u>	<u>1,040,246</u>
OTHER USES				
Operating Transfers Out	<u>100,000</u>	<u>430,000</u>	<u>430,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 8,233,419</u>	<u>\$ 8,233,419</u>	<u>\$ 7,193,173</u>	<u>\$ 1,040,246</u>

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Real Property Taxes	\$ 3,352,000	\$ 3,352,000	\$ 3,352,000	\$ -
Real Property Tax Items	52,000	52,000	72,975	20,975
Departmental Income	4,134,997	4,134,997	4,372,041	237,044
Intergovernmental Charges	-	-	154,597	154,597
Use of Money and Property	144,000	144,000	333,383	189,383
Licenses and Permits	-	-	2,500	2,500
Miscellaneous	106,000	106,000	131,970	25,970
TOTAL REVENUES	<u>7,788,997</u>	<u>7,788,997</u>	<u>8,419,466</u>	<u>630,469</u>
OTHER SOURCES				
Appropriated Fund Balance	1,680,369	1,680,369	-	-
Operating Transfers In	-	-	73,473	73,473
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 9,469,366</u>	<u>\$ 9,469,366</u>	<u>\$ 8,492,939</u>	<u>\$ 703,942</u>
EXPENDITURES				
General Government Support	\$ 160,000	\$ 125,490	\$ 101,360	\$ 24,130
Home and Community Services	6,024,114	6,048,114	5,744,763	303,351
Employee Benefits	672,800	683,310	586,851	96,459
Debt Service	1,862,452	1,702,452	1,701,551	901
TOTAL EXPENDITURES	<u>8,719,366</u>	<u>8,559,366</u>	<u>8,134,525</u>	<u>424,841</u>
OTHER USES				
Operating Transfers Out	750,000	910,000	1,229,170	(319,170)
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 9,469,366</u>	<u>\$ 9,469,366</u>	<u>\$ 9,363,695</u>	<u>\$ 105,671</u>

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Real Property Tax Items	\$ 180,000	\$ 180,000	\$ 79,719	\$ (100,281)
Departmental Income	2,572,100	2,572,100	2,806,087	233,987
Use of Money and Property	25,300	25,300	140,504	115,204
Miscellaneous	5,000	5,000	46,018	41,018
TOTAL REVENUES	<u>2,782,400</u>	<u>2,782,400</u>	<u>3,077,843</u>	<u>295,443</u>
OTHER SOURCES				
Appropriated Fund Balance	1,552,896	1,552,896	-	-
Operating Transfers In	-	-	65,329	65,329
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 4,335,296</u>	<u>\$ 4,335,296</u>	<u>\$ 3,143,172</u>	<u>\$ 360,772</u>
EXPENDITURES				
General Government Support	\$ 81,600	\$ 81,600	\$ 73,972	\$ 7,628
Home and Community Services	2,968,385	2,904,585	2,401,303	503,282
Employee Benefits	218,608	272,908	261,545	11,363
Debt Service	524,703	524,703	534,699	(9,996)
TOTAL EXPENDITURES	<u>3,793,296</u>	<u>3,783,796</u>	<u>3,271,519</u>	<u>512,277</u>
OTHER USES				
Operating Transfers Out	542,000	551,500	551,100	400
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 4,335,296</u>	<u>\$ 4,335,296</u>	<u>\$ 3,822,619</u>	<u>\$ 512,677</u>

See paragraph on supplementary schedules included in auditor's report.

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	12/31/24	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
<u>Total OPEB Liability</u>								
Service cost	\$ 1,907,522	\$ 1,570,312	\$ 2,123,822	\$ 2,136,872	\$ 1,621,393	\$ 1,518,456	\$ 1,631,480	\$ -
Interest	3,940,772	3,771,530	2,814,865	2,470,274	3,250,710	3,622,080	3,776,675	-
Changes of benefit terms	1,647,941	-	-	-	-	-	-	-
Differences between expected and actual experience	(10,024,919)	5,679,738	(1,845,337)	3,585,832	5,697,706	(7,750,922)	(6,461,171)	-
Changes in assumptions or other inputs	(5,663,189)	4,641,018	(35,003,048)	(5,480,548)	21,961,340	6,123,245	-	-
Benefit payments	(4,076,364)	(5,223,240)	(6,154,642)	(5,046,941)	(3,458,431)	(3,152,623)	(3,235,542)	105,372,567
Net change in total OPEB liability	(12,268,237)	10,439,358	(38,064,340)	(2,334,511)	29,072,718	360,236	(4,288,558)	105,372,567
Total OPEB liability-beginning	100,557,470	90,118,112	128,182,452	130,516,963	101,444,245	101,084,009	105,372,567	-
Total OPEB liability-ending	\$ 88,289,233	\$ 100,557,470	\$ 90,118,112	\$ 128,182,452	\$ 130,516,963	\$ 101,444,245	\$ 101,084,009	\$ 105,372,567
Covered-employee payroll	\$ 14,927,897	\$ 13,975,147	\$ 13,281,957	\$ 11,925,896	\$ 11,647,627	\$ 11,634,107	\$ 11,241,616	\$ 11,241,616
Total OPEB liability as a percentage of covered-employee payroll	591.44%	719.54%	678.50%	1074.82%	1120.55%	871.96%	899.19%	937.34%

Notes to Schedule:

<Significant methods and assumptions used in calculating the actuarially determined contributions, if any, should be presented as notes to the schedule required by paragraph 57c of GASB Statement 75. In addition, for each of the schedules required by paragraph 57 of GASB Statement 75, information should be presented about factors that significantly affect trends in the amounts reported (for example, changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions). Information about investment related factors that significantly affect trends in the amounts reported should be limited to those factors over which the OPEB plan or the participating governments have influence (for example, changes in investment policies). Information about external, economic factors (for example, changes in market prices) should not be presented. (The amounts presented for prior years should not be restated for the effects of changes—for example, changes of benefit terms or changes of assumptions—that occurred subsequent to the measurement date of that information.)

Have used a 4.28% discount rate, with sensitivity at 3.28% and 5.28%
The S&P Municipal Bond 20-year High Grade Rate Index (an appropriate index for GASB #75 purposes) was 4.28% on 12/31/24, the measurement date
Due to the small OPEB Trust level (\$0) vs. Liabilities, the plan is not projected to have a Plan Fiduciary Net Position in excess of benefit payments for any year, so the 2.25% Municipal Bond Rate will apply.
Net OPEB Liability is the GASB #75 term now used for Unfunded Accrued Liability.

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended December 31, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	1.9117600%	0.0184273%	0.0179463%	0.0176095%	0.0185938%	0.0183942%	0.0191041%	0.0183453%	0.0194171%	0.0186357%
District's proportionate share of the net pension asset/(liability)	\$ (2,814,891)	\$ (3,951,559)	\$ 1,467,034	\$ (17,534)	\$ (4,923,752)	\$ (1,303,283)	\$ (616,574)	\$ (1,723,766)	\$ (3,116,504)	\$ (609,558)
District's covered-employee payroll	\$ 6,645,924	\$ 6,385,622	\$ 5,748,723	\$ 5,443,310	\$ 5,477,780	\$ 5,546,564	\$ 5,604,320	\$ 5,665,037	\$ 5,481,774	\$ 5,473,978
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-42.36%	-61.88%	25.52%	-0.32%	-89.89%	-23.50%	-11.00%	-30.43%	-56.85%	-11.50%
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%	94.70%	90.70%	97.90%
	NYSPPRS Pension Plan Last 10 Fiscal Years									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	0.1455566%	0.146919%	0.1487172%	0.1370010%	0.1346360%	0.1313026%	0.1286977%	0.1221808%	0.1343898%	0.1356916%
District's proportionate share of the net pension asset/(liability)	\$ (6,903,445)	\$ (8,097,745)	\$ (844,780)	\$ (2,378,715)	\$ (7,196,209)	\$ (2,202,027)	\$ (1,300,841)	\$ (2,552,384)	\$ (3,978,995)	\$ (373,504)
District's covered-employee payroll	\$ 5,557,293	\$ 5,557,293	\$ 5,149,453	\$ 4,387,671	\$ 4,832,097	\$ 4,671,942	\$ 4,987,631	\$ 4,921,977	\$ 4,783,417	\$ 4,891,625
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-124.22%	-145.71%	-16.41%	-51.85%	-148.93%	-47.13%	-26.08%	-51.45%	-83.18%	-7.64%
Plan fiduciary net position as a percentage of the total pension liability	89.72%	87.43%	98.66%	99.95%	84.86%	95.09%	96.93%	95.50%	90.20%	99.00%

See paragraph on supplementary schedules included in auditor's report.

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF TOWN CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	NYSERS Pension Plan Last 10 Fiscal Years*									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	\$ 802,564	\$ 639,019	\$ 793,507	\$ 799,412	\$ 790,542	\$ 814,341	\$ 844,169	\$ 808,386	\$ 903,165	\$ 943,253
Contributions in relation to the contractually required contribution	802,564	639,019	793,507	799,412	790,542	814,341	844,169	808,386	903,165	943,253
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 6,645,924	\$ 6,385,622	\$ 5,748,723	\$ 5,443,310	\$ 5,477,780	\$ 5,546,564	\$ 5,604,320	\$ 5,665,037	\$ 5,481,774	\$ 5,473,978
Contributions as a percentage of its covered-employee payroll	12.08%	10.01%	13.80%	14.69%	14.43%	14.68%	15.06%	14.27%	16.48%	17.23%

	NYSPPRS Pension Plan Last 10 Fiscal Years*									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	\$ 1,398,955	\$ 1,261,975	\$ 1,192,484	\$ 1,039,629	\$ 999,509	\$ 1,100,196	\$ 1,159,530	\$ 1,099,784	\$ 1,176,648	\$ 1,082,004
Contributions in relation to the contractually required contribution	1,398,955	1,261,975	1,192,484	1,039,629	999,509	1,100,196	1,159,530	1,099,784	1,176,648	1,082,004
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 5,557,293	\$ 5,557,293	\$ 5,149,453	\$ 4,587,671	\$ 4,832,097	\$ 4,671,942	\$ 4,987,631	\$ 4,921,977	\$ 4,783,417	\$ 4,891,625
Contributions as a percentage of its covered-employee payroll	25.17%	22.71%	23.16%	22.66%	20.68%	23.55%	23.25%	22.34%	24.60%	22.12%

See paragraph on supplementary schedules included in auditor's report.

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
DECEMBER 31, 2024**

	DRAINAGE	LIGHTING	HIGHWAY DISTRICT	DEBT SERVICE	PARKLANDS FUND	AMBULANCE DISTRICT	TOTAL	
							NON-MAJOR GOVERNMENTAL FUNDS	NON-MAJOR GOVERNMENTAL FUNDS
ASSETS								
Cash and Cash Equivalents	\$ 140,355	\$ 172,620	\$ 54,351	\$ 477,385	\$ 983,673	\$ 135,197	\$ 1,963,581	
Prepaid Expenses	-	-	-	-	-	2,287	2,287	
TOTAL ASSETS	\$ 140,355	\$ 172,620	\$ 54,351	\$ 477,385	\$ 983,673	\$ 137,484	\$ 1,965,868	
LIABILITIES								
Accounts Payable	\$ -	\$ 24,498	\$ -	\$ 10,916	\$ -	\$ -	\$ 35,414	
TOTAL LIABILITIES	\$ -	\$ 24,498	\$ -	\$ 10,916	\$ -	\$ -	\$ 35,414	
FUND BALANCES								
Nonspendable	-	-	-	-	-	2,287	2,287	
Restricted	-	-	-	-	983,673	135,197	1,118,870	
Assigned	140,355	148,122	54,351	466,469	-	-	809,297	
TOTAL FUND BALANCES	140,355	148,122	54,351	466,469	983,673	137,484	1,930,454	
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,355	\$ 172,620	\$ 54,351	\$ 477,385	\$ 983,673	\$ 137,484	\$ 1,965,868	

See paragraph on supplementary schedules included in auditor's report.

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

	DRAINAGE	LIGHTING	HIGHWAY DISTRICT	DEBT SERVICE	PARKLANDS FUND	AMBULANCE DISTRICT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	\$ 25,394	\$ 305,045	\$ 11,038	\$ -	\$ -	\$ 455,516	\$ 796,993
Real Property Tax Items	-	48	-	-	-	12,133	12,181
Departmental Income	-	-	-	-	1,999	-	1,999
Use of Money and Property	5,279	10,557	1,596	16,372	70,556	5,338	109,698
Miscellaneous	-	-	-	-	506,000	-	506,000
TOTAL REVENUES	30,673	315,650	12,634	16,372	578,555	472,987	1,426,871
EXPENDITURES							
General Government Support	-	-	-	-	-	8,578	8,578
Health	-	-	-	-	-	392,802	392,802
Transportation	-	290,556	-	-	-	-	290,556
Home and Community Service	30,375	-	-	-	-	-	30,375
Debt Service	-	-	11,138	-	-	-	11,138
TOTAL EXPENDITURES	30,375	290,556	11,138	-	-	401,380	733,449
OTHER FINANCING SOURCES (USES)							
Operating Transfers Out	-	-	-	-	(2,000,000)	-	(2,000,000)
TOTAL FINANCING SOURCES (USES)	-	-	-	-	(2,000,000)	-	(2,000,000)
Net Change in Fund Balances	298	25,094	1,496	16,372	(1,421,445)	71,607	(1,306,578)
Fund Balances-Beginning	140,057	123,028	52,855	450,097	2,405,118	65,877	3,237,032
Fund Balances-Ending	\$ 140,355	\$ 148,122	\$ 54,351	\$ 466,469	\$ 983,673	\$ 137,484	\$ 1,930,454

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SEWER FUND
COMBINING BALANCE SHEETS
DECEMBER 31, 2024

	NOB HILL SEWER DISTRICT	CROSSROADS SEWER DISTRICT	ROSETON SEWER DISTRICT	TOTAL SEWER FUND
ASSETS				
Cash and Cash Equivalents	\$ 9,939	\$ 2,672,544	\$ -	\$ 2,682,483
Cash in Special Reserves	53,153	2,108,798	-	2,161,951
Other Receivables, Net	12,292	563,389	102,086	677,767
Due from Other Funds	-	645,200	168,000	813,200
Prepaid Expenses	767	51,371	132	52,270
TOTAL ASSETS	\$ 76,151	\$ 6,041,302	\$ 270,218	\$ 6,387,671
LIABILITIES				
Accounts Payable	\$ 265	\$ 267,753	\$ 34,939	\$ 302,957
Accrued Liabilities	76	6,757	-	6,833
Due to Other Funds	28,700	-	616,500	645,200
TOTAL LIABILITIES	29,041	274,510	651,439	954,990
FUND BALANCES				
Nonspendable	767	51,371	132	52,270
Restricted	62,253	2,108,798	-	2,171,051
Assigned	-	3,606,623	-	3,606,623
Unassigned	(15,910)	-	(381,353)	(397,263)
TOTAL FUND BALANCES	47,110	5,766,792	(381,221)	5,432,681
TOTAL LIABILITIES AND FUND BALANCES	\$ 76,151	\$ 6,041,302	\$ 270,218	\$ 6,387,671

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SEWER FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	NOB HILL SEWER DISTRICT	CROSSROADS SEWER DISTRICT	ROSETON SEWER DISTRICT	TOTAL SEWER FUND
REVENUES				
Real Property Tax Items	\$ -	\$ 79,719	\$ -	\$ 79,719
Departmental Income	20,317	2,431,084	354,686	2,806,087
Use of Money and Property	1,159	138,365	980	140,504
Sale of Property and Compensation for Loss	-	5,515	-	5,515
Miscellaneous	-	46,018	-	46,018
TOTAL REVENUES	21,476	2,700,701	355,666	3,077,843
EXPENDITURES				
General Government Support	1,193	72,707	72	73,972
Home and Community Service	13,725	2,116,693	270,885	2,401,303
Employee Benefits	3,085	258,460	-	261,545
Debt Service	-	330,764	203,935	534,699
TOTAL EXPENDITURES	18,003	2,778,624	474,892	3,271,519
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	65,329	-	65,329
Operating Transfers Out	(9,100)	(542,000)	-	(551,100)
TOTAL FINANCING SOURCES (USES)	(9,100)	(476,671)	-	(485,771)
Net Change in Fund Balances	(5,627)	(554,594)	(119,226)	(679,447)
Fund Balances-Beginning	52,737	6,321,386	(261,995)	6,112,128
Fund Balances-Ending	\$ 47,110	\$ 5,766,792	\$ (381,221)	\$ 5,432,681

See paragraph on supplementary schedules included in auditor's report.

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
LIGHTING FUND
COMBINING BALANCE SHEETS
DECEMBER 31, 2024**

	CONSOLIDATED LIGHTING DISTRICT	LAKESIDE LIGHTING DISTRICT	FLEETWOOD LIGHTING DISTRICT	WEST SIDE ORANGE LAKE LIGHTING DISTRICT	COLDEN PARK LIGHTING DISTRICT	TOTAL LIGHTING FUND
ASSETS						
Cash and Cash Equivalents	\$ 134,898	\$ 11,822	\$ 7,238	\$ 8,925	\$ 9,737	\$ 172,620
TOTAL ASSETS	\$ 134,898	\$ 11,822	\$ 7,238	\$ 8,925	\$ 9,737	\$ 172,620
LIABILITIES						
Accounts Payable	\$ 21,682	\$ 1,478	\$ 342	\$ 360	\$ 636	\$ 24,498
TOTAL LIABILITIES	21,682	1,478	342	360	636	24,498
FUND BALANCES						
Assigned	113,216	10,344	6,896	8,565	9,101	148,122
TOTAL FUND BALANCES	113,216	10,344	6,896	8,565	9,101	148,122
TOTAL LIABILITIES AND FUND BALANCES	\$ 134,898	\$ 11,822	\$ 7,238	\$ 8,925	\$ 9,737	\$ 172,620

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
LIGHTING FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	CONSOLIDATED LIGHTING DISTRICT	LAKESIDE LIGHTING DISTRICT	FLEETWOOD LIGHTING DISTRICT	WEST SIDE ORANGE LAKE LIGHTING DISTRICT	COLDEN PARK LIGHTING DISTRICT	TOTAL LIGHTING FUND
REVENUES						
Real Property Taxes	\$ 268,000	\$ 19,057	\$ 4,176	\$ 6,486	\$ 7,326	\$ 305,045
Real Property Tax Items	48	-	-	-	-	48
Use of Money and Property	8,746	674	312	373	452	10,557
TOTAL REVENUES	<u>276,794</u>	<u>19,731</u>	<u>4,488</u>	<u>6,859</u>	<u>7,778</u>	<u>315,650</u>
EXPENDITURES						
Transportation	259,244	16,455	3,771	3,989	7,097	290,556
TOTAL EXPENDITURES	<u>259,244</u>	<u>16,455</u>	<u>3,771</u>	<u>3,989</u>	<u>7,097</u>	<u>290,556</u>
Net Change in Fund Balances	17,550	3,276	717	2,870	681	25,094
Fund Balances-Beginning	95,666	7,068	6,179	5,695	8,420	123,028
Fund Balances-Ending	<u>\$ 113,216</u>	<u>\$ 10,344</u>	<u>\$ 6,896</u>	<u>\$ 8,565</u>	<u>\$ 9,101</u>	<u>\$ 148,122</u>

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
DECEMBER 31, 2024

Capital Assets, Net		\$ 58,476,977
Right to Use Assets, Net		37,834
Deductions:		
Bond Anticipation Notes	\$ 700,000	
Short-Term Portion of Bonds Payable	1,390,000	
Long-Term Portion of Bonds Payable	10,755,000	
Short-Term Portion of Lease Liability	16,081	
Long-Term Portion of Lease Liability	21,825	
Less: Unspent Bond Proceeds	<u>(700,000)</u>	
Total Deductions		<u>12,182,906</u>
Net Investment in Capital Assets		<u><u>\$ 46,331,906</u></u>

See paragraph on supplementary schedules included in auditor's report.

TOWN OF NEWBURGH
NEWBURGH, NEW YORK
STATEMENT OF INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF FISCAL YEAR</u>
<u>BOND ANTICIPATION NOTE</u>				
Various Town Improvements	2021	2025	4.500%	\$ 1,510,000
TOTAL BOND ANTICIPATION NOTES				<u>1,510,000</u>
 <u>LEASE LIABILITY</u>				
Canon Printer	2020	2024	3.000%	1,963
Synovia - GPS	2020	2025	3.000%	23,830
Pitney Bowes - Court House	2019	2024	3.000%	816
Pitney Bowes - Court House	2024	2028	3.000%	-
Pitney Bowes - Town Hall	2024	2028	3.000%	-
TOTAL LEASE LIABILITY				<u>26,609</u>
 <u>SERIAL BONDS</u>				
Water - DAT Filtration	2008	2031	2.758%	9,385,000
General - Old Town Hall Improvements, Fleet Lift	2009	2024	4.000%	28,100
Public Improvement SB - 2017	2017	2037	2.000%	4,125,000
TOTAL SERIAL BONDS				<u>13,538,100</u>
TOTAL INDEBTEDNESS				<u>\$ 15,074,709</u>

See paragraph on supplementary schedules included in auditor's report.

ISSUED DURING YEAR	PAID DURING YEAR	OUTSTANDING END OF YEAR	AMOUNT OF INTEREST PAID DURING FISCAL YEAR	AMOUNT OF INTEREST ACCRUED AT DECEMBER 31, 2024	DUE WITHIN THE NEXT YEAR
\$ -	\$ 810,000	\$ 700,000	\$ 66,627	\$ 31,500	\$ 700,000
-	810,000	700,000	66,627	31,500	700,000
-	1,963	-	27	-	-
-	14,919	8,911	511	-	8,911
-	816	-	4	-	-
17,959	3,380	14,579	492	-	3,483
18,873	4,457	14,416	630	-	3,687
36,832	25,535	37,906	1,664	-	16,081
-	1,065,000	8,320,000	93,973	38,244	1,090,000
-	28,100	-	1,405	-	-
-	300,000	3,825,000	112,810	47,813	300,000
-	1,393,100	12,145,000	208,188	86,057	1,390,000
\$ 36,832	\$ 2,228,635	\$ 12,882,906	\$ 276,479	\$ 117,557	\$ 2,106,081

See paragraph on supplementary schedules included in auditor's report.

**TOWN OF NEWBURGH
NEWBURGH, NEW YORK
SCHEDULE OF CAPITAL PROJECTS
DECEMBER 31, 2024**

Project	Expenditures		Total	Proceeds of Obligations	Revenues			Totals	Fund Balance (Deficit) December 31, 2024	BANS Outstanding December 31, 2024
	Prior Year	Current Year			State and Federal Aid	Local Sources	Local Sources			
WATER PROJECTS										
Stewart	\$ 4,543,400	\$ -	\$ 4,543,400	\$ 2,324,000	\$ 325,820	\$ 1,893,580	\$ 4,543,400	\$ -	\$ -	-
Colden Park	1,291,863	2,210,979	3,502,842	-	1,068,013	2,156,536	3,224,549	(278,293)	-	-
Chadwick Lake Res Study	2,991,768	527,214	3,518,982	-	1,823,900	2,881,865	4,705,765	1,186,783	400,000	-
Mtn View Ave WST	48,685	-	48,685	-	-	996,109	996,109	947,424	-	-
Land Purchases	1,218,117	1,230	1,219,347	-	-	1,259,149	1,259,149	39,802	-	-
Generator	146,629	146,906	293,535	-	-	293,535	293,535	-	-	-
CFLP - PLC Replacement	219,200	-	219,200	-	-	219,200	219,200	-	-	-
Water System Mapping	16,752	10,197	26,949	-	-	214,226	214,226	187,277	-	-
Chadwick Lake Dam Analysis	160,042	87,454	247,496	-	-	343,953	343,953	96,457	-	-
Livingston Height Water Main	-	2,161,591	2,161,591	-	-	757,692	757,692	(1,403,899)	-	-
SEWER PROJECTS										
Meadow Hill	1,700,107	65,329	1,765,436	697,200	350,000	718,236	1,765,436	-	-	-
Wintergreen	-	-	-	-	-	128,085	128,085	128,085	-	-
Roseton Hills	3,137,797	-	3,137,797	2,672,600	209,653	88,420	2,970,673	(167,124)	-	-
Sewer System Study	11,168	6,798	17,966	-	-	212,801	212,801	194,835	-	-
Equipment Purchases	58,454	48,955	107,409	-	-	174,120	174,120	66,711	-	-
RT 300 Sewer Main Repair	-	-	-	-	-	211,000	211,000	211,000	-	-
MH Sub-Div Sewer Repairs	-	158,229	158,229	-	50,000	277,205	327,205	168,976	-	-
NOB Hill Waste Water Upgrade	-	60,792	60,792	-	-	9,196	9,196	(51,597)	-	-
HIGHWAY PROJECTS										
Gardnertown	1,897,714	-	1,897,714	-	992,143	905,572	1,897,714	-	-	-
Elmhurst Ave Culvert	57,144	28,701	85,845	-	-	503,231	503,231	417,386	300,000	-
Mill House	398,055	24,823	422,878	-	112,953	309,925	422,878	-	-	-
Equipment	419,777	34,990	454,767	-	-	1,248,175	1,248,175	793,408	-	-
Salt Shed	-	-	-	-	-	74,825	74,825	74,825	-	-
GENERAL FUND PROJECTS										
Equipment Purchases	53,322	36,832	90,154	-	-	254,154	254,154	164,000	-	-
New Recreation Building	829,417	6,658,919	7,488,336	-	715,031	8,217,405	8,932,436	1,444,100	-	-
Police Cars	95,244	361,718	456,962	-	-	456,962	456,962	-	-	-
TOTALS	\$ 19,294,655	\$ 12,631,657	\$ 31,926,311	\$ 5,693,800	\$ 5,647,513	\$ 24,805,157	\$ 36,146,469	\$ 4,220,158	\$ 700,000	\$ -

See paragraph on supplementary schedules included in auditor's report.