

FINANCIAL REPORT  
AUDITED

**TOWN OF NEWBURGH, NEW YORK**

For the Year Ended 12/31/2019

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*Audited for:*

Town Board

**TOWN OF NEWBURGH, NEW YORK**



*Audited By:*

RBT CPAs, LLP  
11 Racquet Road  
Newburgh, New York 12550  
(845) 567-9000

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# TOWN OF NEWBURGH, NEW YORK

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

Members of the Town Board  
Town of Newburgh  
1496 Route 300  
Newburgh, New York 12550

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Newburgh, New York as of December 31, 2019, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, and schedules of changes in the Town's net OPEB liability and related ratios, contributions and assumptions, proportionate share of the net pension liability and related ratios, and employer contributions on pages 3 through 9 and 44 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the Town of Newburgh, New York's basic financial statements. The accompanying schedules of indebtedness and combining information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules of indebtedness and combining information 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 June 26, 2020, on our consideration of the Town of Newburgh's internal control over financial reporting and on our 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 an audit performed in accordance with *Government Auditing Standards* in considering the Town of Newburgh's internal control over financial reporting and compliance.

*RBT CPAs, LLP*

Newburgh, New York  
June 26, 2020

**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Introduction**

As management of the Town of Newburgh, New York ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2019. This should be read in conjunction with the *Independent Auditor's Report* at the front of this report, the basic financial statements and the accompanying notes to those statements.

The Management's Discussion and Analysis ("MD&A") for 2019 contains comparisons to the year end 2018 financial statements.

**Financial Highlights**

- On the government-wide financial statements, the liabilities of the Town exceeded its assets at the close of the 2019 year by \$50,903,941. The unrestricted portion, which is available to meet ongoing obligations of the Town, reflects a balance of (\$78,931,759), a decrease of \$12,714 from the prior year.
- As of the close of the current calendar year, the Town's governmental funds reported combined ending fund balances of \$34,139,276 representing an increase of \$2,591,336 from the prior year. The total fund balance that is unassigned and available for spending at the Town's discretion is \$7,406,924 in the General Fund. The remaining balance of \$4,031,366 is nonspendable, restricted or assigned.
- At the end of the current calendar year, the total fund balance of the General Fund was \$11,438,290, an increase of \$1,265,994 from prior year.
- At the end of the current calendar year, the total fund balance for the Highway Fund was \$2,134,732, an increase of \$609,697 from the prior year.
- During 2019 the Town adopted the 2020 budget within the Two Percent Cap limit for the Real Property Tax Levy Growth Factor.

Reflected in the Government-Wide financial statements for the calendar year ended December 31, 2019, is the recording of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68. This pronouncement requires municipalities that provide pensions through the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) to report pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the net pension liability. For the year ended December 31, 2019, the Town reported a liability of \$1,303,286 and \$2,202,027 for its proportionate share of the ERS and PFRS, respectively. More detailed information is available in the notes to the financial statements.

The liability for other post-employment benefits, or OPEB, reflects the net present value of continuing health insurance coverage to town employees who retire from the Town. The Town's collective OPEB obligation is significantly larger because, in contrast to pension benefits, retiree health care is not allowed to be prefunded with deposits into large investment pools but covered as a "pay-as-you-go" basis. The Town reported a liability of \$101,444,245 for Other Post-Employment Benefits at December 31, 2019.

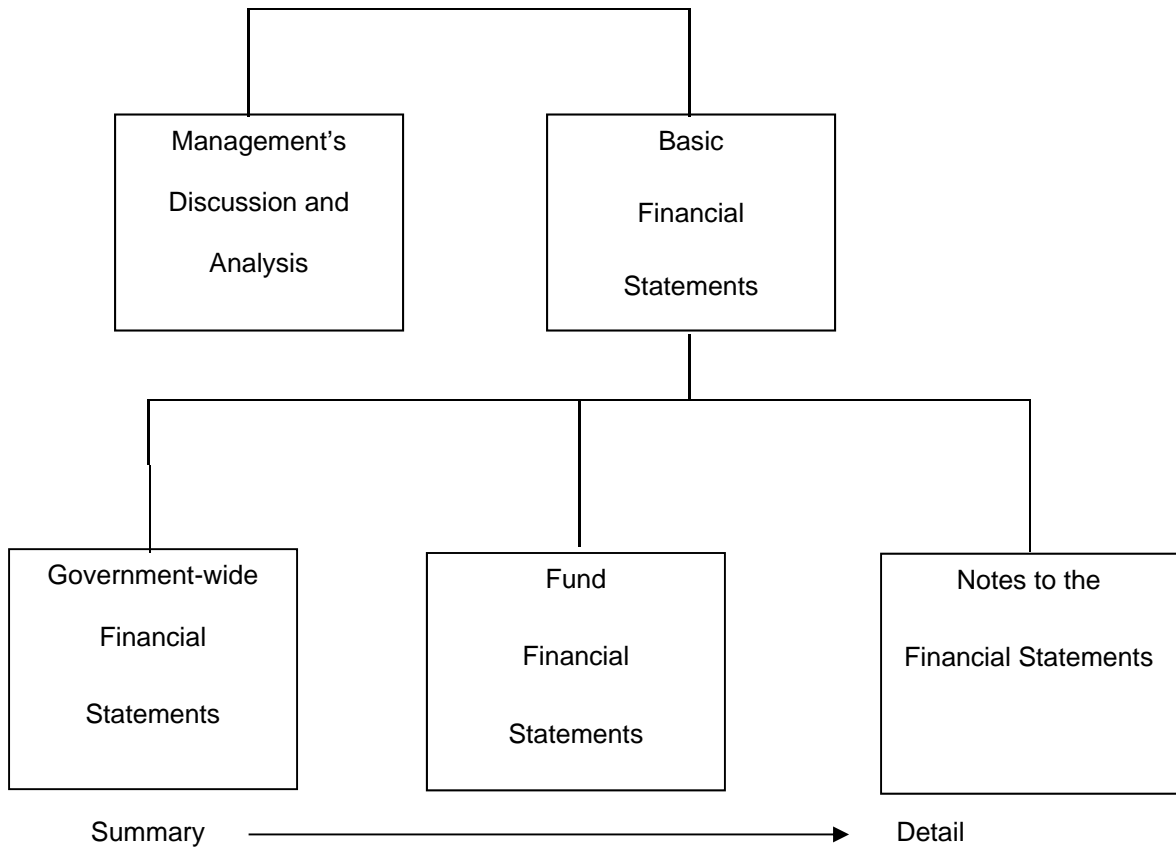
**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Newburgh's basic financial statements. The Town of Newburgh's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town of Newburgh's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail following this narrative. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Town of Newburgh, New York.

Required Components of the Town's Basic Financial Statements

**Figure 1**



**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Basic Financial Statements***

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town of Newburgh's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town of Newburgh's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements, they include: 1) the governmental and fiduciary fund statements and 2) reconciliations to the government-wide financial statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town of Newburgh's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town of Newburgh's financial status as a whole.

The two government-wide statements report the Town of Newburgh's net position and how it has changed. Net position is the difference between the Town of Newburgh's total assets and total liabilities. Measuring net position is one way to gauge the Town of Newburgh's financial condition.

The governmental activities include most of the Town of Newburgh's basic services such as public safety, road maintenance and administration. Property taxes, sales tax, and charges for services finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the Town of Newburgh's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Newburgh, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as New York State general municipal law and local finance law or the Town of Newburgh's budget regulations. All of the funds of the Town of Newburgh are classified in one of two categories: governmental funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town of Newburgh's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town of Newburgh's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.



**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fiduciary Funds** – The Town of Newburgh acts in an agency capacity for assets that are ultimately transferred to others, such as guarantee and bid deposits. These funds are excluded from the government-wide financial statements because the Town of Newburgh cannot use these assets to finance operations.

**Budgetary Highlights**

The Town of Newburgh adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens and management of the Town of Newburgh, and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town of Newburgh to obtain funds from identified sources to finance these current period activities. The budgetary comparison demonstrates how well the Town of Newburgh complied with the final budget and whether or not the Town of Newburgh succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted by the Town Board; 2) the final budget as amended by the Town Board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures. The schedule is presented as required supplementary information

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

**GOVERNMENT-WIDE FINANCIAL ANALYSIS  
GOVERNMENTAL ACTIVITIES  
NET POSITION**

	2019	2018	\$ Change	% Change
Current Assets	\$ 38,493,936	\$ 36,154,228	\$ 2,339,708	6.47%
Capital Assets	41,825,176	40,298,475	1,526,701	3.79%
Total Assets	<u>80,319,112</u>	<u>76,452,703</u>	<u>3,866,409</u>	<u>5.06%</u>
Deferred Outflows of Resources	<u>8,727,077</u>	5,909,167	2,817,910	47.69%
Current Liabilities	3,024,253	3,366,955	(342,702)	-10.18%
Long-Term Liabilities	124,942,898	124,503,508	439,390	0.35%
Total Liabilities	<u>127,967,151</u>	<u>127,870,463</u>	<u>96,688</u>	<u>0.08%</u>
Deferred Inflows of Resources	<u>11,982,979</u>	9,911,919	2,071,060	20.89%
Net Position:				
Net Investment in Capital Assets	22,576,207	20,663,626	1,912,581	9.26%
Restricted	5,451,611	2,834,907	2,616,704	92.30%
Unrestricted	(78,931,759)	(78,919,045)	(12,714)	-0.02%
Total Net Position	<u>\$ (50,903,941)</u>	<u>\$ (55,420,512)</u>	<u>\$ 4,516,571</u>	<u>8.15%</u>

**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS  
GOVERNMENTAL ACTIVITIES  
CHANGES IN NET POSITION**

	<b>2019</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 8,416,024	21.58%	\$ 8,544,417	22.77%	\$ (128,393)	-1.50%
Operating and Capital Grants	1,047,301	2.69%	855,867	2.28%	191,434	22.37%
<b>General Revenues:</b>						
Real Property Taxes	16,014,965	41.07%	15,436,983	41.15%	577,982	3.74%
Real Property Taxes-Water Utilities	3,231,261	8.29%	3,153,661	8.41%	77,600	2.46%
Real Property Tax Items	1,064,001	2.73%	1,371,697	3.66%	(307,696)	-22.43%
Non Property Taxes	413,884	1.06%	415,429	1.11%	(1,545)	-0.37%
Tax Revenue Sharing	6,268,430	16.08%	6,063,409	16.16%	205,021	3.38%
Departmental Income	-	0.00%	30,532	0.08%	(30,532)	0.00%
Use of Money and Property	571,674	1.47%	263,786	0.70%	307,888	116.72%
Sale of Property and Compensation for Loss	423,242	1.09%	306,610	0.82%	116,632	38.04%
Miscellaneous	1,026,933	2.63%	544,649	1.45%	482,284	88.55%
Interfund Revenue	400,959	1.03%	422,861	1.13%	(21,902)	-5.18%
State and Federal Aid	108,589	0.28%	108,589	0.29%	-	0.00%
Total Revenues	<b>38,987,263</b>	<b>100.00%</b>	<b>37,518,490</b>	<b>100.00%</b>	<b>1,468,773</b>	<b>3.91%</b>
<b>Expenses:</b>						
General Government	5,812,941	16.86%	6,020,816	16.89%	(207,875)	-3.45%
Education	1,828	0.01%	-	0.00%	1,828	100.00%
Public Safety	13,260,617	38.46%	13,065,926	36.64%	194,691	1.49%
Public Health	7,412	0.02%	25,947	0.07%	(18,535)	-71.43%
Transportation	6,228,937	18.07%	6,605,610	18.53%	(376,673)	-5.70%
Economic Assistance and Opportunity	122,379	0.36%	130,379	0.37%	(8,000)	-6.14%
Culture and Recreation	1,198,244	3.48%	1,173,780	3.29%	24,464	2.08%
Home and Community Services	7,331,985	21.27%	8,089,784	22.69%	(757,799)	-9.37%
Debt Service	506,349	1.47%	544,696	1.53%	(38,347)	-7.04%
Total Expenses	<b>34,470,692</b>	<b>100.00%</b>	<b>35,656,938</b>	<b>100.00%</b>	<b>(1,186,246)</b>	<b>-3.33%</b>
Change in Net Position	<b>\$ 4,516,571</b>		<b>\$ 1,861,552</b>		<b>\$ 2,655,019</b>	<b>142.62%</b>

**TOWN OF NEWBURGH, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Funds**

For the calendar year ended December 31, 2019, revenues from governmental funds totaled \$38,946,296, an increase of \$1,405,095. The largest revenue was real property taxes of \$19,246,226, or 50% of the total.

For the calendar year ended December 31, 2019, expenditures from governmental funds totaled \$36,536,817, a decrease of \$(109,180), or less than 1%.

**General Fund Budgetary Highlights**

During the calendar year, the Town revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

As discussed, 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 statements. The total fund balances allocated between non-spendable, restricted, assigned, and unassigned fund balance for each of the funds are detailed on the following page for December 31, 2019 and 2018.

	<b>December 31, 2019</b>				
	<b>Non-Spendable</b>	<b>Restricted</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Totals</b>
General	\$ 606,314	\$ 265,052	\$ 3,160,000	\$ 7,406,924	\$ 11,438,290
Highway	155,632	77,896	1,901,204	-	2,134,732
Water	57,079	428,527	6,915,624	-	7,401,230
Sewer	29,191	2,095,493	4,809,178	(57,263)	6,876,599
Capital Projects	-	2,584,643	3,192,695	-	5,777,338
Non-Major Funds	-	-	511,087	-	511,087
	<u>\$ 848,216</u>	<u>\$ 5,451,611</u>	<u>\$ 20,489,788</u>	<u>\$ 7,349,661</u>	<u>\$ 34,139,276</u>
	<b>December 31, 2018</b>				
	<b>Non-Spendable</b>	<b>Restricted</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Totals</b>
General	\$ 695,667	\$ 253,880	\$ 3,190,000	\$ 6,032,749	\$ 10,172,296
Highway	191,921	77,271	1,255,843	-	1,525,035
Water	86,042	425,087	6,995,194	-	7,506,323
Sewer	33,937	2,078,669	4,095,547	(35,237)	6,172,916
Capital Projects	-	-	5,880,594	-	5,880,594
Non-Major Funds	-	-	290,776	-	290,776
	<u>\$ 1,007,567</u>	<u>\$ 2,834,907</u>	<u>\$ 21,707,954</u>	<u>\$ 5,997,512</u>	<u>\$ 31,547,940</u>

**TOWN OF NEWBURGH, NEW YORK  
 REQUIRED SUPPLEMENTARY INFORMATION  
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Asset and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental activities as of December 31, 2019 totaled \$41,825,176 (net of accumulated depreciation of \$127,966,155). These assets include land, construction in progress, buildings, improvements, computer equipment, furniture & fixtures, machinery & equipment, miscellaneous structures, roads & infrastructure and vehicles.

**CAPITAL ASSETS  
 (NET OF DEPRECIATION)  
 AS OF DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Land	\$ 4,179,793	\$ 2,972,311
Construction-in-Progress	28,628,883	27,914,367
Buildings	1,778,338	1,856,541
Roads and Infrastructure	4,971,900	5,174,015
Vehicle & Equipment	2,266,262	2,381,241
	<u>\$ 41,825,176</u>	<u>\$ 40,298,475</u>

**Long-Term Debt**

As of December 31, 2019, the Town of Newburgh had total bonded debt outstanding of \$19,405,972, which is backed by the full faith and credit of the Town. This is a decrease of \$1,335,880, or 6.4% during the 2019 year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

**Requests for Information**

This report is designed to provide a general overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Gil Piaquadio, Town Supervisor, 1496 Route 300, Newburgh, NY 12550.

**TOWN OF NEWBURGH, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 32,547,809
Cash with Fiscal Agent	157,003
Accounts Receivable	4,940,908
Prepaid Expenses	848,216
	<u>38,493,936</u>
Capital Assets, not being depreciated	32,808,676
Capital Assets, being depreciated, net	9,016,500
Total Capital Assets, net (Note V)	<u>41,825,176</u>
Total Assets	<u>80,319,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other Postemployment Benefits (Note VII)	5,102,704
Pensions (Note VI)	3,624,373
Total Deferred Outflows Of Resources	<u>8,727,077</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>89,046,189</u>
<b>LIABILITIES</b>	
Accounts Payable	2,178,597
Accrued Expenses	546,965
Unearned Income	298,691
Noncurrent Liabilities:	
Due and Payable Within One Year:	
Installment Purchase Debt Payable (Note IX)	42,375
Bonds Payable (Note IX)	1,496,150
Due and Payable More Than One Year:	
Installment Purchase Debt Payable (Note IX)	117,895
Bonds Payable (Note IX)	17,749,552
Compensated Absences (Note IX)	587,368
Net Pension Liability-ERS (Note VI)	1,303,286
Net Pension Liability-PFRS (Note VI)	2,202,027
Other Postemployment Benefits (Note VII)	101,444,245
Total Liabilities	<u>127,967,151</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions (Note VI)	1,216,430
Other Postemployment Benefits (Note VII)	10,766,549
Total Deferred Inflows Of Resources	<u>11,982,979</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>139,950,130</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	22,576,207
Restricted	5,451,611
Unrestricted	(78,931,759)
<b>TOTAL NET POSITION</b>	<u>\$ (50,903,941)</u>

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>FUNCTIONS/PROGRAMS</u></b>					
Primary Government:					
Governmental Activities:					
General Government	\$ (5,812,941)	\$ 198,147	\$ -	\$ -	\$ (5,614,794)
Education	(1,828)	-	-	-	(1,828)
Public Safety	(13,260,617)	913,345	95,897	-	(12,251,375)
Public Health	(7,412)	9,078	-	-	1,666
Transportation	(6,228,937)	17,493	440,830	-	(5,770,614)
Economic Assistance and Opportunity	(122,379)	-	73,989	-	(48,390)
Culture and Recreation	(1,198,244)	543,953	-	-	(654,291)
Home and Community Services	(7,331,985)	6,734,008	436,585	-	(161,392)
Interest Expense	(506,349)	-	-	-	(506,349)
Total Primary Government	<u>\$ (34,470,692)</u>	<u>\$ 8,416,024</u>	<u>\$ 1,047,301</u>	<u>\$ -</u>	<u>(25,007,367)</u>
General Revenues:					
Real Property Taxes					16,014,965
Real Property Taxes-Water Utilities					3,231,261
Real Property Tax Items					1,064,001
Non-Property Taxes					413,884
Tax Revenue Sharing					6,268,430
Use of Money and Property					571,674
Sale of Property and Compensation for Loss					423,242
Miscellaneous					1,026,933
Intergovernmental Charges					400,959
State and Federal Aid					108,589
Total General Revenues					<u>29,523,938</u>
Change in Net Position					4,516,571
Net Position - Beginning					<u>(55,420,512)</u>
Net Position - Ending					<u>\$ (50,903,941)</u>

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 9,847,757	\$ 2,292,272	\$ 6,697,628	\$ 4,387,294	\$ 6,073,363	\$ 382,527	\$ 29,680,841
Restricted Cash	265,052	77,896	428,527	2,095,493	-	-	2,866,968
Cash with Fiscal Agent	-	-	-	-	-	157,003	157,003
Receivables, Net	1,578,281	41,771	1,034,336	819,033	-	-	3,473,421
Due from Other Funds (Note IV)	-	-	25,003	251,000	-	2,000	278,003
Prepaid Expenses	606,314	155,632	57,079	29,191	-	-	848,216
<b>Total Assets</b>	<b>\$ 12,297,404</b>	<b>\$ 2,567,571</b>	<b>\$ 8,242,573</b>	<b>\$ 7,582,011</b>	<b>\$ 6,073,363</b>	<b>\$ 541,530</b>	<b>\$ 37,304,452</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 344,008	\$ 396,612	\$ 827,246	\$ 452,165	\$ 130,123	\$ 28,443	\$ 2,178,597
Accrued Expenditures	326,789	36,227	14,097	2,247	30,525	-	409,885
Due to Other Funds (Note IV)	25,003	-	-	251,000	-	2,000	278,003
Unearned Income	163,314	-	-	-	135,377	-	298,691
<b>Total Liabilities</b>	<b>859,114</b>	<b>432,839</b>	<b>841,343</b>	<b>705,412</b>	<b>296,025</b>	<b>30,443</b>	<b>3,165,176</b>
Fund Balances:							
Nonspendable Fund Balance - Restricted	606,314	155,632	57,079	29,191	-	-	848,216
Reserves Fund Balance - Assigned	265,052	77,896	428,527	2,095,493	2,584,643	-	5,451,611
Assigned for Subsequent Year's Budget	3,160,000	1,000,000	1,328,206	386,367	-	9,434	5,884,007
Assigned for Fund Purposes	-	901,204	5,587,418	4,422,811	3,192,695	501,653	14,605,781
Fund Balance - Unassigned	7,406,924	-	-	(57,263)	-	-	7,349,661
<b>Total Fund Balances</b>	<b>11,438,290</b>	<b>2,134,732</b>	<b>7,401,230</b>	<b>6,876,599</b>	<b>5,777,338</b>	<b>511,087</b>	<b>34,139,276</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,297,404</b>	<b>\$ 2,567,571</b>	<b>\$ 8,242,573</b>	<b>\$ 7,582,011</b>	<b>\$ 6,073,363</b>	<b>\$ 541,530</b>	<b>\$ 37,304,452</b>

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK**  
**RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 29,680,841	\$ -	\$ -	\$ 29,680,841
Restricted Cash	2,866,968	-	-	2,866,968
Cash with Fiscal Agent	157,003	-	-	157,003
Receivables, Net	3,473,421	1,467,487	-	4,940,908
Due From Other Funds	278,003	-	(278,003)	-
Prepaid Expenses	848,216	-	-	848,216
Capital Assets, Net	-	41,825,176	-	41,825,176
<b>Total Assets</b>	<b>37,304,452</b>	<b>43,292,663</b>	<b>(278,003)</b>	<b>80,319,112</b>
Deferred Outflows of Resources OPEB	-	5,102,704	-	5,102,704
Deferred Outflows of Resources Pension	-	3,624,373	-	3,624,373
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 37,304,452</b>	<b>\$ 52,019,740</b>	<b>\$ (278,003)</b>	<b>\$ 89,046,189</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,178,597	\$ -	\$ -	\$ 2,178,597
Accrued Expenditures/Expenses	409,885	137,080	-	546,965
Unearned Income	298,691	-	-	298,691
Due to Other Funds	278,003	-	(278,003)	-
Compensated Absences Payable	-	587,368	-	587,368
Installment Notes Payable	-	160,270	-	160,270
Bonds Payable	-	19,245,702	-	19,245,702
ERS Net Pension Liability - Proportionate Share	-	1,303,286	-	1,303,286
PFRS Net Pension Liability - Proportionate Share	-	2,202,027	-	2,202,027
Other Postemployment Benefits	-	101,444,245	-	101,444,245
<b>Total Liabilities</b>	<b>3,165,176</b>	<b>125,079,978</b>	<b>(278,003)</b>	<b>127,967,151</b>
Deferred Inflows of Resources OPEB	-	10,766,549	-	10,766,549
Deferred Inflows of Resources Pension	-	1,216,430	-	1,216,430
<b>Total Fund Balances</b>	<b>34,139,276</b>	<b>(85,043,217)</b>	<b>-</b>	<b>(50,903,941)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 37,304,452</b>	<b>\$ 52,019,740</b>	<b>\$ (278,003)</b>	<b>\$ 89,046,189</b>

See accompanying notes to basic financial statements.



**TOWN OF NEWBURGH, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Real Property Taxes	\$ 9,962,524	\$ 5,775,913	\$ 3,231,261	\$ -	\$ -	\$ 276,528	\$ 19,246,226
Real Property Tax Items	443,843	217,280	16,886	385,992	-	-	1,064,001
Non-Property Tax Items	5,596,448	-	-	-	-	-	5,596,448
Departmental Income	914,757	-	3,622,659	2,393,285	-	-	6,930,701
Use of Money and Property	175,426	53,112	228,415	69,362	40,878	4,481	571,674
Licenses and Permits	502,141	17,056	2,100	-	-	-	521,297
Fines and Forfeitures	735,110	-	-	-	-	-	735,110
Sale of Property and Compensation for Loss	292,973	99,935	20,256	10,078	-	-	423,242
Miscellaneous	462,733	6,309	187,512	321,093	387,479	-	1,365,126
Intergovernmental Charges	400,959	-	-	-	-	-	400,959
State and Federal Aid	1,214,097	425,457	-	-	451,958	-	2,091,512
<b>Total Revenues</b>	<b>20,701,011</b>	<b>6,595,062</b>	<b>7,309,089</b>	<b>3,179,810</b>	<b>880,315</b>	<b>281,009</b>	<b>38,946,296</b>
<b>Expenditures:</b>							
General Government	3,729,235	111,821	72,941	52,776	-	1,712	3,968,485
Education	1,828	-	-	-	-	-	1,828
Public Safety	6,810,466	-	-	-	-	-	6,810,466
Public Health	3,953	-	-	-	-	-	3,953
Transportation	215,739	3,962,484	-	-	-	198,950	4,377,173
Economic Assistance and Opportunity	105,679	-	-	-	-	-	105,679
Culture and Recreation	745,811	-	-	-	-	-	745,811
Home and Community Services	99,520	-	4,247,337	1,737,269	151,331	12,843	6,248,300
Employee Benefits	7,249,330	1,570,559	602,342	193,881	-	-	9,616,112
Capital Outlay	369,108	296,349	55,000	-	1,904,989	-	2,625,446
Debt Service	105,435	44,152	1,532,034	310,201	-	41,742	2,033,564
<b>Total Expenditures</b>	<b>19,436,104</b>	<b>5,985,365</b>	<b>6,509,654</b>	<b>2,294,127</b>	<b>2,056,320</b>	<b>255,247</b>	<b>36,536,817</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>1,264,907</b>	<b>609,697</b>	<b>799,435</b>	<b>885,683</b>	<b>(1,176,005)</b>	<b>25,762</b>	<b>2,409,479</b>
<b>Other Financing Sources/(Uses):</b>							
Proceeds from Obligations	-	-	-	-	181,857	-	181,857
Operating Transfers In	26,090	-	1,001,472	-	2,088,000	194,549	3,310,111
Operating Transfers Out	(25,003)	-	(1,906,000)	(182,000)	(1,197,108)	-	(3,310,111)
<b>Total Other Financing Sources/(Uses)</b>	<b>1,087</b>	<b>-</b>	<b>(904,528)</b>	<b>(182,000)</b>	<b>1,072,749</b>	<b>194,549</b>	<b>181,857</b>
<b>Change in Fund Balances</b>	<b>1,265,994</b>	<b>609,697</b>	<b>(105,093)</b>	<b>703,683</b>	<b>(103,256)</b>	<b>220,311</b>	<b>2,591,336</b>
<b>Fund Balances - Beginning</b>	<b>10,172,296</b>	<b>1,525,035</b>	<b>7,506,323</b>	<b>6,172,916</b>	<b>5,880,594</b>	<b>290,776</b>	<b>31,547,940</b>
<b>Fund Balances - Ending</b>	<b>\$ 11,438,290</b>	<b>\$ 2,134,732</b>	<b>\$ 7,401,230</b>	<b>\$ 6,876,599</b>	<b>\$ 5,777,338</b>	<b>\$ 511,087</b>	<b>\$ 34,139,276</b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF NEWBURGH, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
<b>Revenues:</b>						
Real Property Taxes	\$ 19,246,226	\$ -	\$ -	\$ -	\$ -	\$ 19,246,226
Real Property Tax Items	1,064,001	-	-	-	-	1,064,001
Non-Property Tax Items	5,596,448	-	-	-	-	5,596,448
Departmental Income	6,930,701	40,967	-	-	-	6,971,668
Use of Money and Property	571,674	-	-	-	-	571,674
Licenses and Permits	521,297	-	-	-	-	521,297
Fines and Forfeitures	735,110	-	-	-	-	735,110
Sale of Property and Compensation for Loss	423,242	-	-	-	-	423,242
Miscellaneous	1,365,126	-	-	-	-	1,365,126
Intergovernmental Charges	400,959	-	-	-	-	400,959
State and Federal Aid	2,091,512	-	-	-	-	2,091,512
<b>Total Revenues</b>	<b>38,946,296</b>	<b>40,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,987,263</b>
<b>Expenditures:</b>						
General Government	3,968,485	-	112,594	-	1,731,862	5,812,941
Education	1,828	-	-	-	-	1,828
Public Safety	6,810,466	-	173,759	-	6,276,392	13,260,617
Public Health	3,953	-	-	-	3,459	7,412
Transportation	4,377,173	-	366,757	-	1,485,007	6,228,937
Economic Assistance and Opportunity	105,679	-	-	-	16,700	122,379
Culture and Recreation	745,811	-	10,038	-	442,395	1,198,244
Home and Community Services	6,248,300	-	394,968	-	688,717	7,331,985
Employee Benefits	9,616,112	1,028,420	-	-	(10,644,532)	-
Capital Outlay	2,625,446	(40,629)	(2,584,817)	-	-	-
Debt Service	2,033,564	(9,478)	-	(1,517,737)	-	506,349
<b>Total Expenditures</b>	<b>36,536,817</b>	<b>978,313</b>	<b>(1,526,701)</b>	<b>(1,517,737)</b>	<b>-</b>	<b>34,470,692</b>
<b>Other Financing Sources/(Uses):</b>						
Proceeds from Obligations	181,857	-	-	(181,857)	-	-
Operating Transfers In	3,310,111	-	-	-	(3,310,111)	-
Operating Transfers Out	(3,310,111)	-	-	-	3,310,111	-
<b>Total Other Financing Sources/(Uses)</b>	<b>181,857</b>	<b>-</b>	<b>-</b>	<b>(181,857)</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balances/Net Position</b>	<b>\$ 2,591,336</b>	<b>\$ (937,346)</b>	<b>\$ 1,526,701</b>	<b>\$ 1,335,880</b>	<b>\$ -</b>	<b>\$ 4,516,571</b>

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK  
STATEMENT OF FUDICIARY NET POSITION  
DECEMBER 31, 2019**

	Agency Funds	Expendable Trust
<b>ASSETS</b>		
Cash	\$ 4,944,885	\$ 151,201
Furniture and Equipment, net	-	20,000
Total Assets	4,944,885	171,201
<b>LIABILITIES</b>		
COBRA Insurance	327,635	-
Unclaimed Bail Monies	4,832	-
Guarantee, Bid Deposits & Other Fiduciary Liabilities	4,611,202	-
Total Liabilities	4,944,885	-
<b>NET POSITION</b>		
Held in Trust for Animal Control	\$ -	\$ 171,201

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Expendable Trust
<b>EARNINGS</b>	
Donations	\$ 11,236
Interest	1,259
	<u>12,495</u>
<b>DEDUCTIONS</b>	
Animal Control Expenses	18,628
Depreciation Expense	20,000
	<u>38,628</u>
Change in Net Position	(26,133)
Net Position Held in Trust - Beginning	<u>197,334</u>
Net Position Held in Trust - Ending	<u>\$ 171,201</u>

See accompanying notes to basic financial statements.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Newburgh (the “Town”), established in Orange County, New York, is governed by the laws of the State of New York (the “State”) and various local laws. The Town Board is the legislative body responsible for overall operations; the Supervisor serves as Chief Executive Officer and Chief Fiscal Officer.

The Town, for financial purposes, includes all of the funds relevant to the operations of the Town of Newburgh, New York. The financial statements include organizations, functions and activities that are controlled by or dependent upon the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Under these criteria, no other entities are included in the Town’s financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board (GASB). The notes to the financial statements are an integral part of the statements and are intended to be read with them.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current calendar period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Highway Fund* is used to account for financial resources necessary to repair and maintain the roads within the Town.

The *Water Fund* is used to account for financial resources to be used for the operations and maintenance of the water district within the Town.

The *Sewer Fund* is used to account for financial resources to be used for the operations and maintenance of the sewer districts within the Town.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The principal source of financing is from the sale of bonds or bond anticipation notes.

Fiduciary Funds are used to report assets which are held in a trustee or custodial capacity and are, therefore, not available to support Town programs.

**D. Pervasiveness of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of other postemployment benefits, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**E. Budgetary Data**

The Town's budget policies are as follows:

1. No later than October 5th, the budget officer submits a tentative budget to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
  - a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20.
  - b. All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.
2. 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 assignments 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. Property Taxes**

Town and County 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 prior to distributing the remaining 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.

**G. Cash and Investments**

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

Collateral is required for 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.

**H. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables recorded in the governmental fund's balance sheet are expected to be collected within sixty days of year end.

**I. Due To/From Other Funds**

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**J. Inventories and Prepaid Items**

Purchases of inventoriable items are recorded as expenditures in the Governmental 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.

**K. Capital Assets**

Capital assets are reported at historical cost. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of 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 & Vehicles	\$ 15,000	5 - 10 Years

**L. Infrastructure**

The Town includes long-lived improvements to roads, property, water and sewer systems as capital assets in the Government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the 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. Vested Employee Benefits**

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee may be entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. A liability for accrued vacation and sick time is reflected in the Government-wide statements under the heading “Compensated Absences.” See Note IX.

The Town’s employees participate in the New York State Employee's Retirement System and the New York State Police and Fire Retirement System. See Note VI.



**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**M. Vested Employee Benefits - Continued**

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and the required years of service while working for the Town. See Note VII.

**N. 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, 2019, the Town incurred tail claims in the amount of \$241,134 as well as current coverage premiums of \$976,015 for a total of \$1,217,149 in Workers' Compensation Insurance Coverage expenditures during 2019. These amounts are recorded in the General and Special Revenue 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, 2019, 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.

**O. 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 from federal unemployment insurance tax.

**P. Deferred Compensation**

The Town, through the New York State Deferred Compensation Board, offers its employees a Deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to this plan.

**Q. Risk Retention**

The Town assumes the liability for most risks including, but not limited to, property damage and personal injury liability. The Town purchases commercial insurance to mitigate these risks, subject to certain deductibles. 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.

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**R. Equity Classification**

1. Government-wide Statements

Equity is defined as net position and displayed in three components:

- Net Investment in Capital Assets

Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted Net Position

Consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Position

The remaining portion of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

2. Fund Financial Statements

Equity is defined as fund balance and displayed in five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

Nonspendable:

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.

Restricted:

Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**R. Equity Classification – Continued**

2. Fund Financial Statements – Continued

Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves, the Town has classified the following reserve funds as restricted fund balances:

- a. The General Fund includes reserve funds established for insurance, computer equipment and tax stabilization purposes. The balance at the end of 2019 was \$265,052.
- b. The Highway Fund includes reserve funds established for snow removal, equipment purchases, and building purchases. The balance at the end of 2019 was \$77,896.
- c. The Water Fund includes reserve funds established for capital improvements. The balance at the end of 2019 was \$428,527.
- d. The Sewer Fund includes reserve funds established for repairs. The balance at the end of 2019 was \$2,095,493.

Committed:

Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (the Town Board) before the end of the year. The same level of formal action is required to remove the constraint.

Assigned:

Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned:

Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this classification should only be used to report a deficit balance.

3. 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. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available, the Town's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**S. Interfund Transfers**

The operations of the Town give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided in Note IV.

**T. Subsequent Events**

Management has evaluated subsequent events from December 31, 2019, through June 26, 2020, the date on which the financial statements were available to be issued.

**II. 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 government-wide statements, compared with the current financial resources focus of the governmental 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 Funds Balance Sheet.

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

- (1) The costs of building and acquiring capital assets (land, infrastructure, 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	\$ 169,791,331
Accumulated Depreciation	<u>(127,966,155)</u>
Capital Assets, Net	<u>\$ 41,825,176</u>

- (2) 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 2019 Water and Sewer Billings	<u>\$ 1,467,487</u>
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- (3) Interest payable is recognized in the government-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, 2019	<u>\$ (137,080)</u>
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**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**II. 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**

(4) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Installment Loans Payable	\$ (160,270)
Bonds Payable	(19,245,702)
Compensated Absences Payable	(587,368)
Net Pension Liability	(3,505,313)
Other Postemployment Benefits	(101,444,245)
	<u>\$ (124,942,898)</u>

(5) Deferred outflows and inflows of resources 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:

Deferred Outflows of Resources - Pension	\$ 3,624,373
Deferred Inflows of Resources - Pension	(1,216,430)
Deferred Outflows of Resources - OPEB	5,102,704
Deferred Inflows of Resources - OPEB	(10,766,549)
	<u>\$ (3,255,902)</u>

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences 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 three broad categories:

- 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 use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.
- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets 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 when paid, 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.

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

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	\$ 38,946,296
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Water and Sewer billings are recognized in the entity-wide statements 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 Water and Sewer billings for the current year exceeded the fourth quarter Water and Sewer billings for the prior year.	<u>40,967</u>
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Total revenues reported in the Statement of Activities	<u>\$ 38,987,263</u>
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**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities –  
Continued**

Total Expenditures/Expenses

Total expenditures reported in governmental funds \$ 36,536,817

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.) This is the amount by which the liability for compensated absences decreased during the year. (172,864)

In the Statement of Activities, the expenses for other postemployment benefits are measured based on the changes in the actuarially determined OPEB liability and related deferred inflows/outflows of resources of the Town. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the changes in the OPEB liability and related deferred inflows/outflows of resources exceeded the amount of financial resources used during the year. 639,772

In the Statement of Activities, pension expense related to ERS and PFRS defined benefit plans is measured as the change in the Town's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized as the sum of (1) amounts paid by the employer to the pension plan, and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was greater then the amount of financial resources expended during the year. 561,512

Governmental funds do not report retainage payable on capital projects because the amounts are not currently due and payable. Retainage is recorded as an expenditure when paid in the government funds. In the government-wide financials, retainage is recorded as a capital asset and a liability when the work is performed. This is the amount by which the retainage payable decreased in the current period. (40,629)

Interest payable is recognized in the government-wide statements under full accrual accounting, whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the prior year exceeded the interest payable for the current year. (9,478)

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 year they are incurred. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$2,584,817 exceeded depreciation expenses of \$1,058,116 in the current year. (1,526,701)

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities -  
Continued**

Repayment of bond principal is an expenditure in the governmental funds; it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.	<u>(1,517,737)</u>
Total expenditures reported in the Statement of Activities	<u>\$ 34,470,692</u>

**III. CASH**

At December 31, 2019, the carrying amount of the Town’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$37,643,895 and the bank balance was \$37,937,187. The Town’s deposits at December 31, 2019, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town’s agent bank in the Town’s name. Petty Cash is included in Cash and Cash Equivalents and totaled \$1,150 at year end.

**IV. INTERFUND ACTIVITY**

Interfund receivables and payables at December 31, 2019 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Town	\$ -	\$ 25,003
Water	25,003	-
Sewer (multiple districts)	251,000	251,000
Drainage (multiple districts)	<u>2,000</u>	<u>2,000</u>
TOTAL	<u>\$ 278,003</u>	<u>\$ 278,003</u>

Interfund revenues and expenditures at December 31, 2019 were as follows:

<u>Funds</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ 26,090	\$ 25,003
Highway District	37,546	-
Debt Service	157,003	-
Water	1,001,472	1,906,000
Sewer	-	182,000
Capital Projects	<u>2,088,000</u>	<u>1,197,108</u>
TOTAL	<u>\$ 3,310,111</u>	<u>\$ 3,310,111</u>

Interfund transfers were made for the following purposes:

- Funding of capital projects
- Returning unspent amounts for closed projects to the funds
- Recording EFC paydown of debt directly from cash held by fiscal agent



**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**V. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,972,311	\$ 1,207,482	\$ -	\$ -	\$ 4,179,793
Construction in Progress	27,914,367	1,131,554	-	(417,038)	28,628,883
Total capital assets, not being depreciated	<u>30,886,678</u>	<u>2,339,036</u>	<u>-</u>	<u>(417,038)</u>	<u>32,808,676</u>
Capital assets, being depreciated:					
Buildings	8,711,407	-	-	-	8,711,407
Roads and Infrastructure	119,546,007	-	-	417,038	119,963,045
Vehicles & Equipment	8,302,836	245,781	(240,414)	-	8,308,203
Total capital assets being depreciated	<u>136,560,250</u>	<u>245,781</u>	<u>(240,414)</u>	<u>417,038</u>	<u>136,982,655</u>
Accumulated depreciation for:					
Buildings	(6,854,866)	(78,203)	-	-	(6,933,069)
Roads and Infrastructure	(114,371,992)	(619,153)	-	-	(114,991,145)
Vehicles & Equipment	(5,921,595)	(360,760)	240,414	-	(6,041,941)
Total accumulated depreciation	<u>(127,148,453)</u>	<u>(1,058,116)</u>	<u>240,414</u>	<u>-</u>	<u>(127,966,155)</u>
Total capital assets, being depreciated, net	<u>9,411,797</u>	<u>(812,335)</u>	<u>-</u>	<u>417,038</u>	<u>9,016,500</u>
Governmental activities capital assets, net	<u>\$ 40,298,475</u>	<u>\$ 1,526,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,825,176</u>

Depreciation expense was charged to functions/programs of the Town as follows:

<b>Governmental Activities:</b>	
General Government	\$ 112,594
Public Safety	173,759
Transportation	366,757
Culture and Recreation	10,038
Home and Community Services	<u>394,968</u>
Total Depreciation Expense	<u>\$ 1,058,116</u>

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. 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 Systems ("PFRS"). These are cost-sharing multiple-employer retirement systems (the "Systems"). The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for Tier 3, 4, 5 and 6 employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An eligible Tier 3 or 4 member with ten or more years of membership, or ten years credited service, will not be required to contribute to the Retirement System. Tier 5 and 6 members must continue to contribute throughout their employment.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

Plan Year Ended March 31:	ERS	PFRS
2020	\$ 790,542	\$ 999,509
2019	\$ 814,341	\$ 1,100,196
2018	\$ 844,169	\$ 1,159,530

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

At December 31, 2019, the Town reported liabilities of \$1,303,286 and \$2,202,027 for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2019 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension 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, as actuarially determined. This information was provided to the Town by the ERS and PFRS Systems.

At March 31, 2019, the Town's proportion of the ERS net pension liability was 0.01839420%. At March 31, 2018, the Town's proportion of the ERS net pension liability was 0.019104100%.

At March 31, 2019, the Town's proportion of the PFRS net pension liability was 0.13130260%. At March 31, 2018, the Town's proportion of the PFRS net pension liability was 0.12869970%.

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

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

For the year ended December 31, 2019, the Town recognized pension expense of \$922,195 for ERS and \$1,460,486 for PFRS. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 256,644	\$ 534,933	\$ 791,577
Changes of assumptions	327,592	800,055	1,127,647
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	207,321	155,290	362,611
Town's contributions subsequent to the measurement date	592,907	749,632	1,342,539
Total	<u>\$ 1,384,464</u>	<u>\$ 2,239,910</u>	<u>\$ 3,624,374</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 87,487	\$ 235,103	\$ 322,590
Net difference between projected and actual earnings on pension plan investments	334,494	441,012	775,506
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	48,416	69,918	118,334
Total	<u>\$ 470,397</u>	<u>\$ 746,033</u>	<u>\$ 1,216,430</u>

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

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

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>PFRS</u>
2020	\$ 332,121	\$ 458,274
2021	(210,839)	(48,041)
2022	13,194	21,063
2023	186,684	263,252
2024	-	49,697
	<u>\$ 321,160</u>	<u>\$ 744,245</u>

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.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2019	March 31, 2019
Investment Rate of Return	7.00% compounded annually net of investment expense	7.00% compounded annually net of investment expense
Projected Salary Increases	4.20%	5.00%
Cost of Living Adjustments	1.3% annually	1.3% annually
Decrement Tables	April 1, 2010 - March 31, 2015 Plan's 2015 Experience Study	April 1, 2010 - March 31, 2015 Plan's 2015 Experience Study
Inflation Rate	2.50%	2.50%
Mortality Improvement	Society of Actuaries Scale MP - 2014	Society of Actuaries Scale MP - 2014

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

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for both retirement systems are summarized below:

Measurement Date	ERS and PFRS	
	March 31, 2019	
	Target	Long-term
	<u>allocation</u>	<u>expected</u>
		<u>real rate of return</u>
Asset Class:		
Domestic Equity	36%	4.55%
International Equity	14%	6.35%
Private Equity	10%	7.50%
Real Estate	10%	5.55%
Absolute Return Strategies	2%	3.75%
Opportunistic Portfolio	3%	5.68%
Real Assets	3%	5.29%
Bonds and Mortgages	17%	1.31%
Cash	1%	-0.25%
Inflation-indexed bonds	4%	1.25%
Total	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.0% for 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, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. 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 ERS and PFRS net pension liability calculated using the discount rates referred to above, as well as what the Town's proportionate share of each net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

ERS	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (5,698,161)	\$ (1,303,286)	\$ 2,388,727

PFRS	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (7,957,798)	\$ (2,202,027)	\$ 2,604,709

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS	PFRS
	March 31, 2019	March 31, 2019
Employers' total pension liability	\$ (189,803,429)	\$ (34,128,100)
Plan net position	182,718,124	32,451,037
Employers' net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	96.27%	95.09%

Prepaid Contributions to the Pension Plan

For ERS, employer contributions for the plan year ended March 31, 2020 were paid to the System in December 2019. Prepaid retirement contributions as of December 31, 2019 amounted to \$197,636.

For PFRS, employer contributions for the plan year ended March 31, 2020 were paid to the System in December 2019. Prepaid retirement contributions as of December 31, 2019 amounted to \$249,877.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town’s contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town’s OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (ERS) as well as the provisions of the Town’s agreements with its employees. The following eligibility rules currently apply to the Town’s employees:

Group	Date of Hire	Years of Service
Management	Pre 12/14/11	8
	Post 12/14/11	20
CSEA	Pre 09/20/10	10
	Post 09/20/10	20
Police		15

Medical and prescription drug benefits are offered to retirees on a Town-subsided basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town’s plan providing an additional layer of coverage. The Town reimburses Medicare Part B premiums for retirees and spouses or their surviving spouses.

The benefit terms are dependent on which contract covers each employee. The Town will generally contribute 100% of the medical premium amounts for individual and family coverage. For CSEA employees hired after August 24, 1997, the Town will contribute 80% of the medical premiums for individual and family coverage. Town contribution amounts for new retirees as of December 31, 2019 are as follows:

Group	Provider Options	Hire Date		Town Contributions (Fixed)				Reimburse Part B Premium		
				Individual	Spouse	Individual and Children	Family	Individual	Spouse	Surviving Spouse
Management and Police	NYSHIP	Pre 8/24/97	under 65	\$ 1,043.00	N/A	N/A	\$ 2,413.00	Y	Y	Y
			over 65	403.00	N/A	N/A	1,134.00	Y	Y	Y
		Post 8/24/97	under 65	1,043.00	N/A	N/A	2,413.00	Y	Y	Y
			over 65	403.00	N/A	N/A	1,134.00	Y	Y	Y
CSEA	NYSHIP	Pre 8/24/97	under 65	1,043.00	N/A	N/A	2,413.00	Y	Y	Y
			over 65	403.00	N/A	N/A	1,134.00	Y	Y	Y
		Post 8/24/97	under 65	834.40	N/A	N/A	1,930.40	Y	Y	Y
			over 65	322.40	N/A	N/A	907.20	Y	Y	Y

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED**

The Town's contribution is equivalent to that portion of health insurance premiums paid that are allocated to retirees, estimated to be \$3,152,623 during the year ended 12/31/19.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by benefit terms:

Active employees	107
Retired	150
Total employees covered by benefit terms	<u>257</u>

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2019. The liability for other postemployment benefits was measured as of December 31, 2019 and totaled \$101,444,245.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation Rate	3.00%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	3.26%
Healthcare Cost Trend Rates	8% decreasing to 5%
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

- The discount rate was based on the S&P 20 AA Municipal Bond Index as of December 31, 2019.
- Mortality Rates were based on the RP-2014 mortality table with MP-2016 projection.



**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED**

Changes in the Total OPEB Liability during the year ended 12/31/19:

Balance - Beginning	\$ 101,084,009
Changes for the Year:	
Service Cost	1,518,456
Interest	3,622,080
Differences Between Expected and Actual Experience	(7,750,922)
Changes in Assumptions or Other Inputs	6,123,245
Benefit Payments	(3,152,623)
Net Changes	<u>360,236</u>
Balance - Ending	<u>\$ 101,444,245</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate.

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	\$ 117,550,800	\$ 101,444,245	\$ 85,337,690

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table 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 healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

	1% Decrease 7% decreasing to 4%	Healthcare Cost Trend Rate 8% decreasing to 5%	1% Increase 9% decreasing to 6%
Total OPEB Liability	\$ 86,043,221	\$ 101,444,245	\$ 119,302,764

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

For the year ended December 31, 2019, the Town recognized OPEB expense of \$639,772. At December 31, 2019, the Town reported the following deferred inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 10,766,549
Changes of assumptions or other inputs	<u>5,102,704</u>	<u>-</u>
Total	<u>\$ 5,102,704</u>	<u>\$ 10,766,549</u>

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED**

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending December 31,	Amount
2020	\$ (1,348,141)
2021	(1,348,141)
2022	(1,348,141)
2023	(1,348,141)
2024	(271,281)
	<u>\$ (5,663,845)</u>

**VIII. SHORT-TERM DEBT**

State law requires that Bond Anticipation Notes (BANs) issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The Town did not have any outstanding bond anticipation notes as of December 31, 2019.

**IX. LONG-TERM DEBT**

The Town borrows money for various purposes, including acquiring land and equipment or constructing buildings and improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2019, the total long-term principal indebtedness outstanding of the Town was \$19,405,972.

Interest on long-term debt for the year ended 2019 was:

Interest Paid	\$ 515,827
Less: Interest accrued - prior year	(146,558)
Plus: Interest accrued - current year	<u>137,080</u>
	<u>\$ 506,349</u>

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**IX. LONG-TERM DEBT - CONTINUED**

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

	Beginning Balance	Issued/Earned	Redeemed/ Paid	Ending Balance
<b>Governmental Activities</b>				
Installment Purchase Debt and Serial Bonds	\$ 20,741,852	\$ 181,857	\$ 1,517,737	\$ 19,405,972
Other liabilities:				
Compensated Absences	760,232	-	172,864	587,368
Net Pension Liability - ERS	616,574	686,712	-	1,303,286
Net Pension Liability - PFRS	1,300,841	901,186	-	2,202,027
Other Postemployment Benefits	101,084,009	360,236	-	101,444,245
<b>Total long-term liabilities</b>	<b>\$ 124,503,508</b>	<b>\$ 2,129,991</b>	<b>\$ 1,690,601</b>	<b>\$ 124,942,898</b>

Activity for compensated absences is shown net due to the impracticality 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 the serial bonds and installment debt:

**Governmental Activities**

	Principal	Interest	Total
2020	\$ 1,538,525	\$ 494,656	\$ 2,033,181
2021	1,469,623	462,084	1,931,707
2022	1,467,950	427,464	1,895,414
2023	1,391,772	392,470	1,784,242
2024	1,393,100	359,196	1,752,296
2025-2029	6,970,000	1,162,983	8,132,983
2030-2034	4,050,000	375,484	4,425,484
2035-2037	1,125,002	83,250	1,208,252
<b>Total</b>	<b>\$ 19,405,972</b>	<b>\$ 3,757,587</b>	<b>\$ 23,163,559</b>

In addition to the debt shown above, the following long-term debt has been authorized by the Board but remains unissued at December 31, 2019:

Unissued Long-Term Debt	Amount
Highway - Various Projects	\$ <u>485,045</u>

**X. DEFICIT FUND BALANCES**

The Roseton and Nob Hill Sewer Districts have deficit unassigned fund balances at December 31, 2019 of (\$47,363) and (\$9,900), respectively. Management is aware of the deficit fund balances in these sewer districts. Due to the size of each district, it is difficult to raise rates dramatically in one year; however, management plans to raise rates gradually to eliminate the deficit fund balances.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**XI. OPERATING LEASES**

The Town leases office equipment and police radios. The total minimum rental commitment at December 31, 2019, under the leases mentioned above, is due during the following fiscal years:

Year Ending December 31,	Amount
2020	\$ 22,529
2021	6,900
2022	6,900
2023	6,900
2024	821
	<u>\$ 44,050</u>

Rental expense included in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended December 31, 2019 related to the leases mentioned above was \$70,746.

**XII. CONTINGENCIES**

Grant Funding

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's management believes disallowances, if any, will be immaterial.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with many taxpayers. Claims allowed, if any, result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable.

Judgments and Claims

A few claims against the Town are presently pending for miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town.

**TOWN OF NEWBURGH, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**XIII. PROPERTY TAX ABATEMENTS**

The Town is a party to four 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 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, 2019:

<b>Start Date</b>	<b>Agreement</b>	<b>Taxable Assessed Value</b>	<b>Tax Rate</b>	<b>Tax Value</b>	<b>PILOT Received</b>	<b>Taxes Abated</b>
07/01/07	CRH Realty VIII, LLC	\$ 5,144,000	14.8716	\$ 76,500	\$ 37,711	\$ 38,789
07/01/15	JDP Associates LLC	1,428,000	14.8716	21,237	20,820	417
12/01/14	Danskammer Energy, LLC	41,500,000	14.8716	617,171	204,651	412,520
1/1/2018	AMSCAM/MATRIX	25,436,400	14.8716	378,280	36,698	341,582

**XIV. SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Management has advised staff to work remotely as a response to current NYS on Pause regulations. Accordingly, while management cannot quantify the financial and any other impacts to the Town as of June 26, 2020, management does believe that a material impact on the Town's financial position and results of future operations is reasonably possible.

**TOWN OF NEWBURGH, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**XV. NEW ACCOUNTING PRINCIPLES**

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. The Town has not evaluated the effect of GASB 83 on its financial statements.

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town is required to implement this standard for the year ending December 31, 2020 and is currently evaluating the effect of GASB 84 on its financial statements.

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town is required to implement this standard for year ending December 31, 2022. The Town has not evaluated the effect of GASB 87 on its financial statements.

In March 2018, GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The Town is required to implement this standard for the year ending December 31, 2020. The Town has not evaluated the effect of GASB 88 on its financial statements.

GASB has also issued Statements 86, 89 and 90, 91, 92 and 93 none of which are expected to have any substantive effects on the Town's net position.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS**

<u>Total OPEB Liability</u>	<u>12/31/19</u>	<u>12/31/18</u>
Service Cost	\$ 1,518,456	\$ 1,631,480
Interest	3,622,080	3,776,675
Differences Between Expected and Actual Experience	(7,750,922)	(6,461,171)
Changes in Assumptions or Other Inputs	6,123,245	-
Benefit Payments	(3,152,623)	(3,235,542)
Net Change in Total OPEB Liability	360,236	(4,288,558)
Total OPEB liability - beginning	<u>101,084,009</u>	<u>105,372,567</u>
Total OPEB liability - ending (a)	<u>\$ 101,444,245</u>	<u>\$ 101,084,009</u>
Plan Fiduciary net position		
Contributions - Employer	\$ 3,152,623	\$ 3,235,542
Net Investment Income	-	-
Benefit Payments	(3,152,623)	(3,235,542)
Administrative Expense	-	-
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
Plan Fiduciary net position - beginning	<u>-</u>	<u>-</u>
Plan Fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 101,444,245</u>	<u>\$ 101,084,009</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered Payroll	\$ 11,634,107	\$ 11,241,616
Total OPEB Liability as a percentage of covered payroll	871.96%	899.19%

Notes to Schedule:

Changes of Benefit Terms:

None

Implied Subsidy: Approximately \$475,000 is included in Benefit Payments/Contributions

Changes in Assumptions:

Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

12/31/19	3.26%
12/31/18	3.64%

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

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



**TOWN OF NEWBURGH, NEW YORK  
SCHEDULE OF CONTRIBUTIONS AND ASSUMPTIONS**

	<u>2019</u>	<u>2018</u>
Actuarial determined contribution (SC + 20 year amort NOL)	\$ 8,721,219	\$ 9,139,825
Contributions in relating to the actuarially determined contribution	<u>3,152,623</u>	<u>3,235,542</u>
Contribution excess/(deficiency)	<u>\$ (5,568,596)</u>	<u>\$ (5,904,283)</u>
Covered - employee payroll	\$ 11,634,107	\$ 11,241,616
Contributions as a percentage of covered - employee payroll	27.10%	28.78%

Notes to Schedule:

Valuation date:	1/1/2019	1/1/2018
Census data:	12/31/2018	12/31/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	N/A
Amortization period	N/A	N/A
Asset valuation method	Market	Market
Inflation	3%	3%
Healthcare cost trend rates	8% decrease to 5%	8% decrease to 5%
Salary increases	3%	3%
Investment rate of return	3.26%	3.64%
Retirement age	rates from age 55	rates from age 55
Mortality	RP 2014 w/ MP2016 proj	RP 2014 w/ MP2016 proj

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

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Employees' Retirement System</b>					
3/31/2019	0.01839420%	\$ (1,303,283)	\$ 5,546,564	-23.50%	96.27%
3/31/2018	0.01910410%	\$ (616,574)	\$ 5,604,320	-11.00%	98.24%
3/31/2017	0.01834530%	\$ (1,723,766)	\$ 5,665,037	-30.43%	94.70%
3/31/2016	0.01941710%	\$ (3,116,504)	\$ 5,481,774	-56.85%	90.70%
3/31/2015	0.01863565%	\$ (629,558)	\$ 5,473,978	-11.50%	97.90%
3/31/2014	0.01863565%	\$ (842,119)	\$ 5,329,598	-15.80%	97.20%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Police and Fire Retirement System</b>					
3/31/2019	0.13130260%	\$ (2,202,027)	\$ 4,671,942	-47.13%	95.09%
3/31/2018	0.12869970%	\$ (1,300,841)	\$ 4,987,631	-26.08%	96.93%
3/31/2017	0.12218080%	\$ (2,532,384)	\$ 4,921,977	-51.45%	93.50%
3/31/2016	0.13438980%	\$ (3,978,995)	\$ 4,783,417	-83.18%	90.20%
3/31/2015	0.13569156%	\$ (373,504)	\$ 4,891,625	-7.64%	99.00%
3/31/2014	0.13569156%	\$ (564,896)	\$ 4,741,280	-11.91%	98.50%

\*GASB 68 requires that the past 10 years of information be presented. Due to the fact that 2015 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

**TOWN OF NEWBURGH, NEW YORK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
<b>Employees' Retirement System</b>					
3/31/2019	\$ 814,341	\$ 814,341	\$ -	\$ 5,546,564	14.68%
3/31/2018	\$ 844,169	\$ 844,169	\$ -	\$ 5,604,320	15.06%
3/31/2017	\$ 808,386	\$ 808,386	\$ -	\$ 5,665,037	14.27%
3/31/2016	\$ 903,165	\$ 903,165	\$ -	\$ 5,473,978	17.23%
3/31/2015	\$ 943,253	\$ 943,253	\$ -	\$ 5,329,598	20.10%
3/31/2014	\$ 1,071,204	\$ 1,071,204	\$ -	N/A	N/A
3/31/2013	\$ 973,616	\$ 973,616	\$ -	N/A	N/A
3/31/2012	\$ 774,975	\$ 774,975	\$ -	N/A	N/A

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
<b>Police and Fire Retirement System</b>					
3/31/2019	\$ 1,100,196	\$ 1,100,196	\$ -	\$ 4,671,942	23.55%
3/31/2018	\$ 1,159,530	\$ 1,159,530	\$ -	\$ 4,987,631	23.25%
3/31/2017	\$ 1,099,784	\$ 1,099,784	\$ -	\$ 4,921,977	22.34%
3/31/2016	\$ 1,176,648	\$ 1,176,648	\$ -	\$ 4,891,625	20.61%
3/31/2015	\$ 1,082,004	\$ 1,082,004	\$ -	\$ 4,741,280	35.39%
3/31/2014	\$ 1,678,123	\$ 1,678,123	\$ -	N/A	N/A
3/31/2013	\$ 907,802	\$ 907,802	\$ -	N/A	N/A
3/31/2012	\$ 796,450	\$ 796,450	\$ -	N/A	N/A

\*GASB 68 requires that the past 10 years of information be presented. Due to the fact that 2015 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

N/A - Not available

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
<b>Revenues:</b>				
Real Property Taxes	\$ 9,962,524	\$ 9,962,524	\$ 9,962,524	\$ -
Real Property Tax Items	427,000	427,000	443,843	16,843
Non-Property Tax Items	5,090,000	5,090,000	5,596,448	506,448
Departmental Income	771,000	771,000	914,757	143,757
Interfund Revenue	300,000	300,000	400,959	100,959
Use of Money and Property	40,000	40,000	175,426	135,426
Licenses and Permits	480,700	480,700	502,141	21,441
Fines and Forfeitures	905,000	905,000	735,110	(169,890)
Sale of Property and Compensation for Loss	101,000	101,000	292,973	191,973
Miscellaneous	200,000	300,000	462,733	162,733
State and Federal Aid	1,325,500	1,225,500	1,214,097	(11,403)
<b>Total Revenues</b>	<b>19,602,724</b>	<b>19,602,724</b>	<b>20,701,011</b>	<b>1,098,287</b>
<b>Expenditures:</b>				
General Government	4,999,842	4,866,158	3,729,235	1,136,923
Education	1,650	1,850	1,828	22
Public Safety	7,655,802	7,706,912	6,810,466	896,446
Public Health	7,042	7,042	3,953	3,089
Transportation	242,510	242,510	215,739	26,771
Economic Assistance and Opportunity	144,421	144,421	105,679	38,742
Culture and Recreation	844,172	844,172	745,811	98,361
Home and Community Services	117,450	117,450	99,520	17,930
Employee Benefits	8,209,200	8,209,200	7,249,330	959,870
Capital Outlay	419,090	477,569	369,108	108,461
Debt Service	81,545	105,440	105,435	5
<b>Total Expenditures</b>	<b>22,722,724</b>	<b>22,722,724</b>	<b>19,436,104</b>	<b>3,286,620</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(3,120,000)</b>	<b>(3,120,000)</b>	<b>1,264,907</b>	<b>4,384,907</b>
<b>Other Financing Sources/(Uses):</b>				
Operating Transfers In	-	-	26,090	26,090
Operating Transfers Out	(70,000)	(70,000)	(25,003)	44,997
<b>Total Other Financing Sources/Uses</b>	<b>(70,000)</b>	<b>(70,000)</b>	<b>1,087</b>	<b>71,087</b>
<b>Net Change in Fund Balance</b>	<b>(3,190,000)</b>	<b>(3,190,000)</b>	<b>1,265,994</b>	<b>4,455,994</b>
<b>Appropriated Fund Balance</b>	<b>3,190,000</b>	<b>3,190,000</b>	<b>-</b>	<b>(3,190,000)</b>
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,265,994</b>	<b>\$ 1,265,994</b>

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
<b>Revenues:</b>				
Real Property Taxes	\$ 5,775,913	\$ 5,775,913	\$ 5,775,913	\$ -
Real Property Tax Items	220,000	220,000	217,280	(2,720)
Use of Money and Property	10,000	10,000	53,112	43,112
Licenses & Permits	1,000	1,000	17,056	16,056
Sale of Property and Compensation for Loss	29,000	29,000	99,935	70,935
Miscellaneous	-	-	6,309	6,309
State Aid	325,000	325,000	425,457	100,457
<b>Total Revenues</b>	<b>6,360,913</b>	<b>6,360,913</b>	<b>6,595,062</b>	<b>234,149</b>
<b>Expenditures:</b>				
General Government	271,500	267,700	111,821	155,879
Transportation	4,432,160	4,435,960	3,962,484	473,476
Employee Benefits	2,060,300	2,060,300	1,570,559	489,741
Capital Outlay	585,800	585,800	296,349	289,451
Debt Service	44,153	44,153	44,152	1
<b>Total Expenditures</b>	<b>7,393,913</b>	<b>7,393,913</b>	<b>5,985,365</b>	<b>1,408,548</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(1,033,000)</b>	<b>(1,033,000)</b>	<b>609,697</b>	<b>1,642,697</b>
<b>Other Financing Sources/(Uses):</b>				
Operating Transfers Out	(12,000)	(12,000)	-	12,000
<b>Total Other Financing Sources/Uses)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>-</b>	<b>12,000</b>
<b>Net Change in Fund Balance</b>	<b>(1,045,000)</b>	<b>(1,045,000)</b>	<b>609,697</b>	<b>1,654,697</b>
<b>Appropriated Fund Balance</b>	<b>1,045,000</b>	<b>1,045,000</b>	<b>-</b>	<b>(1,045,000)</b>
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 609,697</b>	<b>\$ 609,697</b>

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**WATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts GAAP Basis	Final Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 3,231,261	\$ 3,231,261	\$ 3,231,261	\$ -
Real Property Tax Items	327,000	327,000	16,886	(310,114)
Departmental Income	3,400,596	3,400,596	3,622,659	222,063
Use of Money and Property	117,000	117,000	228,415	111,415
Licenses & Permits	1,000	1,000	2,100	1,100
Sale of Property and Compensation for Loss	1,000	1,000	20,256	19,256
Miscellaneous	280,000	1,230,000	187,512	(1,042,488)
<b>Total Revenues</b>	<b>7,357,857</b>	<b>8,307,857</b>	<b>7,309,089</b>	<b>(998,768)</b>
<b>Expenditures:</b>				
General Government	153,000	153,000	72,941	80,059
Home & Community Service	4,487,507	4,529,507	4,247,337	282,170
Employee Benefits	745,150	725,150	602,342	122,808
Capital Outlay	600,000	372,000	55,000	317,000
Debt Service	1,546,800	1,546,800	1,532,034	14,766
<b>Total Expenditures</b>	<b>7,532,457</b>	<b>7,326,457</b>	<b>6,509,654</b>	<b>816,803</b>
Excess/(Deficiency) of Revenues Over Expenditures	(174,600)	981,400	799,435	(181,965)
<b>Other Financing Sources/(Uses):</b>				
Operating Transfers In	-	-	1,001,472	1,001,472
Operating Transfers Out	(750,400)	(956,400)	(1,906,000)	(949,600)
<b>Total Other Financing Sources/Uses</b>	<b>(750,400)</b>	<b>(956,400)</b>	<b>(904,528)</b>	<b>51,872</b>
Net Change in Fund Balance	(925,000)	25,000	(105,093)	(130,093)
Appropriated Fund Balance	925,000	(25,000)	-	25,000
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (105,093)</b>	<b>\$ (105,093)</b>

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
<b>Revenues:</b>				
Real Property Tax Items	\$ 396,000	\$ 396,000	\$ 385,992	\$ (10,008)
Departmental Income	2,162,200	2,162,200	2,393,285	231,085
Use of Money and Property	10,070	10,070	69,362	59,292
Miscellaneous	-	-	321,093	321,093
Sale of Property & Compensation for Loss	-	-	10,078	10,078
<b>Total Revenues</b>	<b>2,568,270</b>	<b>2,568,270</b>	<b>3,179,810</b>	<b>611,540</b>
<b>Expenditures:</b>				
General Government	57,387	43,251	52,776	(9,525)
Home and Community Services	2,275,591	2,319,407	1,737,269	582,138
Employee Benefits	284,678	254,998	193,881	61,117
Capital Outlay	39,000	39,000	-	39,000
Debt Service	310,278	310,278	310,201	77
<b>Total Expenditures</b>	<b>2,966,934</b>	<b>2,966,934</b>	<b>2,294,127</b>	<b>672,807</b>
Excess/(Deficiency) of Revenues Over Expenditures	(398,664)	(398,664)	885,683	1,284,347
<b>Other Financing Sources/(Uses):</b>				
Operating Transfers Out	(400,000)	(400,000)	(182,000)	218,000
<b>Total Other Financing Sources/(Uses)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(182,000)</b>	<b>218,000</b>
Net Change in Fund Balance	(798,664)	(798,664)	703,683	1,502,347
Appropriated Fund Balance	798,664	798,664	-	(798,664)
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 703,683</b>	<b>\$ 703,683</b>

**OTHER  
SUPPLEMENTARY  
INFORMATION**



**TOWN OF NEWBURGH, NEW YORK  
 COMBINING BALANCE SHEETS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019**

	Drainage	Lighting	Highway District	Debt Service	Total Non- Major Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 134,210	\$ 184,814	\$ 52,031	\$ 11,472	\$ 382,527
Cash with Fiscal Agent	-	-	-	157,003	157,003
Due from Other Funds	2,000	-	-	-	2,000
<b>Total Assets</b>	<b>\$ 136,210</b>	<b>\$ 184,814</b>	<b>\$ 52,031</b>	<b>\$ 168,475</b>	<b>\$ 541,530</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 17,527	\$ -	\$ 10,916	\$ 28,443
Due to Other Funds	2,000	-	-	-	2,000
<b>Total Liabilities</b>	<b>2,000</b>	<b>17,527</b>	<b>-</b>	<b>10,916</b>	<b>30,443</b>
<b>FUND BALANCES</b>					
Fund Balance - Assigned					
Assigned for Subsequent Year's Budget	9,434	-	-	-	9,434
Assigned for Fund Purposes	124,776	167,287	52,031	157,559	501,653
<b>Total Fund Balances</b>	<b>134,210</b>	<b>167,287</b>	<b>52,031</b>	<b>157,559</b>	<b>511,087</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 136,210</b>	<b>\$ 184,814</b>	<b>\$ 52,031</b>	<b>\$ 168,475</b>	<b>\$ 541,530</b>

**TOWN OF NEWBURGH, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Drainage	Lighting	Highway District	Debt Service	Total Non- Major Governmental Funds
Revenues:					
Real Property Taxes	\$ 19,850	\$ 215,055	\$ 41,623	\$ -	\$ 276,528
Use of Money and Property	1,309	2,728	441	3	4,481
Total Revenues	21,159	217,783	42,064	3	281,009
Expenditures:					
General Government	-	1,712	-	-	1,712
Home & Community Services	12,843	-	-	-	12,843
Transportation	-	198,950	-	-	198,950
Debt Service	-	-	41,742	-	41,742
Total Expenditures	12,843	200,662	41,742	-	255,247
Excess/(Deficiency) of Revenues Over Expenditures	8,316	17,121	322	3	25,762
Other Financing Sources/(Uses):					
Operating Transfers In	-	-	37,546	157,003	194,549
Total Financing Sources/(Uses)	-	-	37,546	157,003	194,549
Change in Fund Balances	8,316	17,121	37,868	157,006	220,311
Fund Balances - Beginning	125,894	150,166	14,163	553	290,776
Fund Balances - Ending	\$ 134,210	\$ 167,287	\$ 52,031	\$ 157,559	\$ 511,087

**TOWN OF NEWBURGH, NEW YORK  
 COMBINING BALANCE SHEETS  
 SEWER FUND  
 DECEMBER 31, 2019**

	Nob Hill Sewer District	Crossroads Sewer District	Roseton Sewer District	Total Sewer Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,376	\$ 4,290,290	\$ 93,628	\$ 4,387,294
Cash in Special Reserves	60,174	2,035,319	-	2,095,493
Due From Other Funds	-	251,000	-	251,000
Receivables	5,839	716,524	96,670	819,033
Prepaid Expenses	407	28,751	33	29,191
<b>Total Assets</b>	<b>\$ 69,796</b>	<b>\$ 7,321,884</b>	<b>\$ 190,331</b>	<b>\$ 7,582,011</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable	\$ 90	\$ 446,414	\$ 5,661	\$ 452,165
Accrued Expenditures	25	2,222	-	2,247
Due To Other Funds	19,000	-	232,000	251,000
<b>Total Liabilities</b>	<b>19,115</b>	<b>448,636</b>	<b>237,661</b>	<b>705,412</b>
Fund Balances:				
Nonspendable	407	28,751	33	29,191
Fund Balance - Restricted Reserves	60,174	2,035,319	-	2,095,493
Fund Balance - Assigned				
Assigned for Subsequent Year's Budget	-	386,367	-	386,367
Assigned for Fund Purposes	-	4,422,811	-	4,422,811
Fund Balance - Unassigned	(9,900)	-	(47,363)	(57,263)
<b>Total Fund Balances</b>	<b>50,681</b>	<b>6,873,248</b>	<b>(47,330)</b>	<b>6,876,599</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 69,796</b>	<b>\$ 7,321,884</b>	<b>\$ 190,331</b>	<b>\$ 7,582,011</b>

**TOWN OF NEWBURGH, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Nob Hill Sewer District	Crossroads Sewer District	Roseton Sewer District	Total Sewer Fund
Revenues:				
Real Property Tax Items	\$ -	\$ 385,992	\$ -	\$ 385,992
Departmental Income	17,769	2,082,913	292,603	2,393,285
Use of Money and Property	521	68,490	351	69,362
Sale of Property and Compensation for Loss	-	10,078	-	10,078
Miscellaneous	-	321,093	-	321,093
Total Revenues	18,290	2,868,566	292,954	3,179,810
Expenditures:				
General Government	835	49,538	2,403	52,776
Home and Community Services	17,579	1,597,157	122,533	1,737,269
Employee Benefits	2,135	191,746	-	193,881
Debt Service	-	122,863	187,338	310,201
Total Expenditures	20,549	1,961,304	312,274	2,294,127
Excess/(Deficiency) of Revenues Over Expenditures	(2,259)	907,262	(19,320)	885,683
Other Financing Sources/(Uses):				
Operating Transfers Out	-	(182,000)	-	(182,000)
Total Financing Sources/(Uses)	-	(182,000)	-	(182,000)
Change in Fund Balances	(2,259)	725,262	(19,320)	703,683
Fund Balances - Beginning	52,940	6,147,986	(28,010)	6,172,916
Fund Balances - Ending	\$ 50,681	\$ 6,873,248	\$ (47,330)	\$ 6,876,599

**TOWN OF NEWBURGH, NEW YORK  
 COMBINING BALANCE SHEETS  
 LIGHTING FUND  
 DECEMBER 31, 2019**

	Consolidated	Lakeside	Fleetwood	West Side Orange Lake	Colden Park	Total
	Lighting	Lighting	Lighting	Lighting	Lighting	Lighting
	District	District	District	District	District	Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 165,346	\$ 4,361	\$ 5,424	\$ 3,692	\$ 5,991	\$ 184,814
Total Assets	\$ 165,346	\$ 4,361	\$ 5,424	\$ 3,692	\$ 5,991	\$ 184,814
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts Payable	\$ 15,310	\$ 1,203	\$ 257	\$ 283	\$ 474	\$ 17,527
Total Liabilities	15,310	1,203	257	283	474	17,527
Fund Balances:						
Fund Balance - Assigned						
Assigned for Fund Purposes	150,036	3,158	5,167	3,409	5,517	167,287
Total Fund Balances	150,036	3,158	5,167	3,409	5,517	167,287
Total Liabilities and Fund Balance	\$ 165,346	\$ 4,361	\$ 5,424	\$ 3,692	\$ 5,991	\$ 184,814

**TOWN OF NEWBURGH, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**LIGHTING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	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	\$ 188,100	\$ 13,160	\$ 3,330	\$ 3,680	\$ 6,785	\$ 215,055
Use of Money and Property	2,422	106	66	50	84	2,728
Total Revenues	190,522	13,266	3,396	3,730	6,869	217,783
Expenditures:						
General Government	1,712	-	-	-	-	1,712
Transportation	174,095	13,495	2,849	3,122	5,389	198,950
Total Expenditures	175,807	13,495	2,849	3,122	5,389	200,662
Excess/(Deficiency) of Revenues Over Expenditures	14,715	(229)	547	608	1,480	17,121
Fund Balances - Beginning	135,321	3,387	4,620	2,801	4,037	150,166
Fund Balances - Ending	\$ 150,036	\$ 3,158	\$ 5,167	\$ 3,409	\$ 5,517	\$ 167,287

**TOWN OF NEWBURGH, NEW YORK**  
**SCHEDULE OF INDEBTEDNESS**  
**DECEMBER 31, 2019**

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Interest Accrued at 12/31/2019	Due Within the Next Year
<b><u>INSTALLMENT PURCHASE DEBT</u></b>										
Police Vehicle	2019	2024	6.814%	\$ -	\$ 38,413	\$ 4,250	\$ 34,163	\$ 333	\$ -	\$ 8,947
Police Vehicle	2019	2024	6.814%	-	38,413	4,250	34,163	332	-	8,947
Police Vehicle	2019	2024	6.814%	-	38,413	4,250	34,163	332	-	8,947
Police Vehicle	2019	2024	6.814%	-	38,413	4,250	34,163	332	-	8,947
Police Vehicle	2019	2024	8.509%	-	28,205	4,587	23,618	977	-	6,587
				-	181,857	21,587	160,270	2,306	-	42,375
<b><u>SERIAL BONDS</u></b>										
Water - DAT Filtration	2008	2031	2.758%	\$ 14,350,000	\$ -	\$ 950,000	\$ 13,400,000	\$ 348,072	\$ 61,595	\$ 970,000
Water - Clearwell Repairs and Upgrade	2000	2019	4.080%	25,000	-	25,000	-	595	-	-
Highway District - Greenshire Way	2009	2021	4.000%	76,000	-	26,000	50,000	3,605	335	26,000
Sewer - Wintergreen Pump Station	2000	2020	4.312%	30,000	-	15,000	15,000	558	296	15,000
General - Old Town Hall Improvements, Fleet Lift	2009	2024	4.000%	215,850	-	40,150	175,700	10,491	1,171	40,150
Refunding Serial Bond-2002 Issue	2014	2022	2.000%	310,001	-	75,000	235,001	6,025	783	80,000
Refunding Serial Bond-2005 Issue	2014	2020	2.000%	180,001	-	90,000	90,001	2,700	300	90,000
Public Improvement SB - 2017	2017	2037	3.000%	5,555,000	-	275,000	5,280,000	141,475	72,600	275,000
TOTAL SERIAL BONDS				20,741,852	-	1,496,150	19,245,702	513,521	137,080	1,496,150
TOTAL INDEBTEDNESS				\$ 20,741,852	\$ 181,857	\$ 1,517,737	\$ 19,405,972	\$ 515,827	\$ 137,080	\$ 1,538,525

**OTHER REPORTING  
REQUIRED BY  
GOVERNMENT AUDITING  
STANDARDS**





LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**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**

Members of The Town Board  
Town of Newburgh  
1496 Route 300  
Newburgh, New York 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 aggregate remaining fund information of the Town of Newburgh, New York as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Newburgh, New York's basic financial statements, and have issued our report thereon dated June 26, 2020.

Internal Control Over Financial Reporting

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

*RBT CPAs, LLP*

Newburgh, New York  
June 26, 2020

**TOWN OF NEWBURGH, NEW YORK  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2019**

A. Internal Control Findings

None noted.

B. Compliance Findings

None noted.