

STATEMENT
OF
ANNUAL FINANCIAL AND OPERATING INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TOWN OF ULSTER
ULSTER COUNTY, NEW YORK

DATED: JUNE 15, 2024

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

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* * *

MUNICIPAL ADVISOR



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STATEMENT OF ANNUAL FINANCIAL AND OPERATING INFORMATION

TOWN OF ULSTER ULSTER COUNTY, NEW YORK

The material set forth herein, including the cover page, has been prepared by the Town of Ulster, Ulster County, New York (the "Town", the "County", and the "State", respectively) in connection with its obligation to prepare and submit such material in accordance with its Continuing Disclosure Undertakings and the Official Statements having been prepared in connection with the sale and issuance of the following outstanding bond issues:

§ 4,745,000 Public Improvement Refunding (Serial) Bonds - 2015

THE TOWN

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

Description

The Town, with a land area of 28.4 square miles and a population of 12,660 according to the 2020 U.S. Census, is located on the western bank of the Hudson River about 90 miles north of New York City and about 50 miles south of Albany. The Town entirely surrounds the City of Kingston, the county seat of Ulster County and the industrial, commercial and shipping center for the surrounding region.

Commercial, industrial, suburban residential and agricultural valuations combine to give Ulster a varied economic base. Agricultural operations concentrate on the production of fruits and vegetables. Commercial enterprises are centered in several large shopping centers which serve shoppers from surrounding towns as well as residents of Kingston and Ulster. Residential development consists mainly of single-family homes and there are also several large garden apartment complexes situated in the Town.

International Business Machines Corporation ("IBM"), the areas largest employer and taxpayer for several decades sold its Town of Ulster holdings to a real estate developer in February of 1998. The Complex consisted of 2.5 million square feet of buildings. Demolition permits were issued in 2015 covering approximately 1 million square feet of vacant space. In December 2021, Ulster County completed a Foreclosure of Tax Liens on the remaining parcels owned by the Developer. In June 2022, Ulster County concluded a transfer of title on the foreclosed parcels to I Park 87 LLC, an affiliate of National Resources, a regional real estate developer specializing in brownfield properties. I Park 87 is in the process of preparing a redevelopment plan that will be presented to the Town of Ulster in the near future.

Residents find employment at the commercial, industrial, financial and governmental operations in the Town, in Kingston and in the Poughkeepsie region, access to which is provided by the Kingston-Rhinecliff Bridge, located in the Town.

Water transport on the Hudson River and CSX supplement a road and highway network which includes the New York State Thruway (Toll Booth No. 19 is located in the Town) and N.Y. State Routes 9W, 199, 209, 28 and 32.

Governmental Organization

The Town was established in 1879 pursuant to enactment of the New York State Legislature. The Town is located in the County of Ulster, New York, which County is divided for local government purposes into twenty towns and the City of Kingston. In turn, some of such Towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision.

The Town Board consists of five members, the presiding officer of which is the Town Supervisor elected for a four-year term. The four additional members of the Town Board are elected for four-year staggered terms every two years. The Town Supervisor and the board members are elected at large.

The Supervisor is the chief executive officer of the Town. Additional Town officers are the Town Clerk, and the Superintendent of Highways who are elected at large for four-year terms, The Assessor, the Superintendents of the Water and Sewer Departments are appointed by the Town Board.

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities, builds and maintains Town highways and provides public safety through a police department. Fire protection is provided through separate entities, the various fire districts and voluntary fire organizations in the Town. Planning and the financing of Town courts are provided by the Town. Regulation of building construction along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities.

Employees

The Town provides services through 76 full-time employees, 20 part-time employees, 8 part-time seasonal employees and 9 full and part-time elected officials. The majority of non-seasonal full-time employees are covered under labor contracts with either the Ulster Patrolmen’s Benevolent Association (Police – 44 members, 28 full-time and 16 part-time) or Labor’s Local #17 (General Town Employees, Highway, Water and Sewer – 36 members). The Labor’s Local #17 contract expires on December 31, 2025. The Patrolmen’s Benevolent Association contract expires on December 31, 2027.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Town, the County and the State.

Population

<u>Year</u>	<u>Town of Ulster</u>	<u>Ulster County</u>	<u>New York State</u>
1990	12,329	165,304	17,990,455
2000	12,544	177,749	18,976,457
2010	12,327	182,493	19,378,102
2020	12,660	178,371	19,514,849
2023	12,589	182,333	19,571,216

Source: U.S. Bureau of the Census

Building Permits

	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>		<u>Total Value</u>
	<u>New</u>	<u>Other</u>	<u>New</u>	<u>Other</u>	<u>New</u>	<u>Other</u>	
2018	13	223	10	46	-	-	\$10,914,125
2019	11	327	7	56	-	-	30,885,177
2020	13	311	6	22	-	-	62,923,807
2021	11	358	7	64	-	-	30,436,319
2022	12	493	10	82	-	-	80,704,870
2023	20	442	3	63	-	-	23,119,326

Source: Town Officials estimates.

Selected Wealth and Income Indicators

	Per Capita Money Income				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Ulster	\$16,657	\$22,069	\$29,689	\$34,952	\$41,584
County of Ulster	14,921	20,842	28,532	35,816	43,168
State of New York	16,501	23,389	30,948	40,898	47,173

	Median Household Income				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022^a</u>
Town of Ulster	\$37,534	\$42,108	\$53,183	\$57,477	\$74,877
County of Ulster	34,033	42,551	56,434	65,306	77,197
State of New York	39,741	51,691	67,405	71,117	81,386

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2018-2022)

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Ulster County (%)</u>	<u>New York State (%)</u>
2017	4.6	4.7
2018	3.9	4.1
2019	3.8	4.0
2020	8.0	10.0
2021	4.7	6.9
2022	3.1	4.4
2023	3.3	4.2
2024 (4 Month Average) ^a	4.1	4.3

Source: Department of Labor, State of New York

Selected Listing of Sizeable Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Ulster County Government	County Government	315
Northeast Center for Special Care	Head Trauma Center	308
Kingston Consolidated School District	School District	302
Ten Broeck Center	Nursing Home	207
Walmart	Department Store	275
Adams Fairacre Farms	Farm stand	269
Shop-Rite Market	Supermarket	175
Sam's Club	Warehouse Store	150
Lowe's	Home Improvement Store	150
Home Depot	Home Improvement Store	150

Source: Town Officials.

Computation of Debt Limit and Net Debt Contracting Margin
(As of June 15, 2024)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2019	\$976,082,322	78.50	\$1,243,416,971
2020	980,681,303	73.00	1,343,399,045
2021	968,421,867	68.00	1,424,149,804
2022	962,393,744	55.00	1,749,806,807
2023	966,305,347	50.00	<u>1,932,610,694</u>
Total Five Year Full Valuation			\$7,693,383,322
Average Five Year Full Valuation			1,538,676,664
Debt Limit - 7% of Average Full Valuation			107,707,367
Inclusions:			
Outstanding Bonds:			
General Purposes			0
Sewer Purposes			135,000
Water Purposes			2,880,000
Sub-Total			<u>3,015,000</u>
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>3,015,000</u>
Exclusions:			
Sewer Debt			0
Water Debt			2,880,000
Appropriations			<u>0</u>
Total Exclusions			2,880,000
Total Net Indebtedness			<u>135,000</u>
Net Debt Contracting Margin			<u><u>\$107,572,367</u></u>
Percent of Debt Limit Exhausted			0.13%

Details of Short-Term Indebtedness Outstanding

As of the date of this Statement the Town has no short-term obligations outstanding.

Authorized but Unissued Items

As of the date of this Statement the Town has no authorized and unissued debt.

Debt Service Requirements - Outstanding Bonds ^a

Fiscal Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 276,150	\$ 93,480	\$ 369,630
2025	195,000	87,278	282,278
2026	200,000	81,219	281,219
2027	140,000	74,919	214,919
2028	145,000	69,219	214,219
2029	150,000	63,319	213,319
2030	160,000	57,119	217,119
2031	165,000	51,341	216,341
2032	170,000	46,106	216,106
2033	170,000	41,325	211,325
2034	180,000	36,950	216,950
2035	185,000	32,388	217,388
2036	185,000	27,763	212,763
2037	195,000	23,013	218,013
2038	135,000	18,888	153,888
2039	140,000	15,450	155,450
2040	135,000	12,013	147,013
2041	140,000	8,575	148,575
2042	145,000	5,013	150,013
2043	40,000	2,400	42,400
2044	40,000	800	40,800
Totals:	<u>\$3,291,150</u>	<u>\$848,574</u>	<u>\$4,139,724</u>

a: Rounded to nearest dollar. Does not include payments made to date.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Ulster	10/25/2023	9.35	\$11,233,679	\$10,264,925
Kingston CSD	03/28/2024	34.17	35,096,007	8,879,289
Saugerties CSD	06/30/2023	3.18	0	0
Fire Districts (Est.)	12/31/2023	100.00	3,825,000	3,825,000
Totals			<u>\$50,154,686</u>	<u>\$22,969,214</u>

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

Trend of Outstanding Indebtedness

	Fiscal Year Ending December 31:				
	2019	2020	2021	2022	2023
Outstanding Debt:					
Subject to Debt Limit:					
Bonds	\$ 878,750	\$ 726,600	\$ 576,450	\$ 427,300	\$ 280,150
Bond Anticipation Notes	-	-	-	-	-
Other Notes	-	-	-	-	-
Sub-Total:	\$ 878,750	\$ 726,600	\$ 576,450	\$ 427,300	\$ 280,150
Not Subject to Debt Limit:					
Bonds	\$3,567,000	\$3,373,000	\$3,257,000	\$3,135,000	\$3,011,000
Bond Anticipation Notes	-	-	-	-	-
Sub-Total:	\$3,567,000	\$3,373,000	\$3,257,000	\$3,135,000	\$3,011,000
 Total Debt Outstanding	 \$4,445,750	 \$4,099,600	 \$3,833,450	 \$3,562,300	 \$3,291,150

Debt Ratios
(As of June 15, 2024)

	Amount	Per Capita ^a	Percentage of Full Value (%) ^b
Total Direct Debt	\$ 3,015,000	\$ 239	0.16
Net Direct Debt	135,000	11	0.01
Total Direct & Applicable Total Overlapping Debt	53,169,686	4,224	2.75
Net Direct & Applicable Net Overlapping Debt	23,104,214	1,835	1.20

a. The current estimated population of the Town is 12,589.

b. The full valuation of taxable real property in the Town for 2020 is \$1,932,610,694.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2023 which is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2019-2023 fiscal years.

Fund Structure and Accounts

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

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

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

Basis of Accounting

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

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

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government-sponsored corporation; (2) obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty; (3) obligations issued or fully insured or guaranteed by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys; or (4) obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the Town, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. The Town is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations issued or fully insured by the State of New York, and obligations of counties, cities and other government entities of another State.

Budgetary Procedures

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

Financial Operations

The Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Town finances are operated primarily through the General and Highway Funds. The General Fund receives revenue from County sales tax and State aid. Real property taxes and a significant portion of the other Town revenues are credited to the General and Highway Funds. Current operating expenditures are paid from these funds subject to available appropriations. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 0.0%; Environmental Score: 6.7%).

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

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. There have been no audits performed in the past five fiscal years.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years may be found in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

Based on the audited financial reports of the Town, the Town received approximately 5.53% of its total General Fund operating revenue from State aid in 2023 and budgeted approximately 2.47% for 2024. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

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

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurance that the State's financial position will not change materially and adversely from current projections. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The State’s 2021-22 Enacted Budget provides \$10.8 billion in State funding to local governments. This funding, available for use over multiple years, is designed to support essential workers and government employees, assist COVID-19 vaccination efforts, boost local economies, and support local government services.

The Aid and Incentives for Municipalities (“AIM”) program provides State aid to all of the State’s cities (other than New York City), and 141 towns and villages. AIM was funded at \$656.1 million in the 2021-22 Enacted State Budget. The 2019-20 Enacted State Budget reduced AIM funding by \$59 million, eliminating aid for 1,325 towns and villages determined to be less reliant on AIM. At that time, the State established AIM-Related payments which continued funding for the impacted towns and villages in the amounts that they had previously received through AIM in State Fiscal Year 2018-2019. OSC is required to withhold certain county sales tax revenues and to make AIM-Related payments, paid in December and May each year, pursuant to Chapter 59 of the Laws of 2019.

The \$59 million reduction in the AIM program eliminated funding for those municipalities where the State deemed it was not necessary or significant, and provided that funding to those municipalities by intercepting \$59 million of sales tax revenue before any normal revenue share of sales tax occurred. The 2022-23 State Budget maintained the AIM program at its current level; however, the budget did put an end to the intercept of local sales tax to pay the \$59 million in AIM-Related payments for 479 villages and 846 towns. The 2023-24 State budget maintains the AIM program at its current level.

The amount of State aid to municipalities, including the Town, and school districts in the State is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19, the Governor initially declared a state of emergency and took steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it negatively impacted the State’s economy and financial condition; however, the State has generally rebounded to pre-COVID economic and financial conditions. If the financial condition of the State is negatively impacted again in the future, the State will be required to take certain gap-closing actions. Such actions may include but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of local governments in the State, including the Town.

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

The following table sets forth the percentage of the Town’s General Fund revenue (excluding other financing sources) comprised of State aid for each of the fiscal years 2018 through 2023 and the budgeted amount for fiscal year 2024. The budget amount for General Fund Revenue includes appropriated fund balance.

Fiscal Year Ended	<u>December 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid to Revenues (%)</u>
2018		\$ 8,267,672	\$506,389	6.12
2019		8,786,982	447,093	5.09
2020		8,702,320	304,919	3.50
2021		9,330,293	511,999	5.49
2022		9,585,258	607,665	6.34
2023		10,140,129	561,991	5.54
2024 (Budgeted)		10,545,251	260,000	2.47

Sources: Audited Financial Statements (2019-2023), and the Adopted Budget for 2024.

Expenditures

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

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries and new TRS employees in Tier 5 will contribute 3.5% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

As a result of significant capital market declines in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years.

The Town has NOT elected the option to amortize the required contribution to the Retirement System.

Payments to the Pension Systems

<u>Fiscal Year Ending</u> <u>December 31:</u>	<u>Total Amount</u> <u>of Contribution</u>
2019	\$ 834,974
2020	847,749
2021	1,061,802
2022	953,897
2023	988,844
2024 (Budgeted)	1,352,101

Source: Town Officials.

Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Town, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 75 ("GASB 75") described below requires such accounting.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

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

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

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

<u>Changes in the Total OPEB Liability</u>	<u>Fiscal Year Ending December 31, 2023:</u>
Total OPEB liability as of December 31, 2022	\$32,922,685
Changes for the year:	
Service Cost	1,052,533
Interest	1,246,240
Changes in Benefit Terms	2,813,459
Differences between actual and expected experience	
Changes in Assumptions and Other Inputs	
Benefit payments	(956,902)
Total Changes	<u>\$4,155,330</u>
Total OPEB liability as of December 31, 2023	<u><u>\$37,078,015</u></u>

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

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

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix A, herein.) Property taxes accounted for approximately 62.24% of total general fund revenues, for the fiscal year ended 2023. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. See “Tax Levy Limit Law,” herein.

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

		Tax Rates				
		(Per \$1,000 Assessed Valuation)				
		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
County	\$	5.43	\$ 5.48	\$ 5.52	\$ 5.08	\$ 5.08
Town		6.21	6.35	6.56	6.52	6.64
Highway		2.82	2.85	2.86	2.85	2.85
Ulster Fire No. 5		2.11	2.14	2.24	2.32	2.32
Ruby Fire		2.29	2.28	2.33	2.37	2.37
East Kingston Fire Prot.		2.03	2.04	2.03	1.99	2.19
Bloomington Fire District		3.37	3.38	3.31	3.18	3.13
Ulster Fire No.1		2.03	2.06	2.10	2.25	2.25
East Kingston Light		1.28	1.27	1.25	1.11	1.05
Albany Ave. Light		0.22	0.23	0.24	0.15	0.13
Whittier Light		0.40	0.40	0.40	0.35	0.33
Krauss Light		0.96	0.96	0.96	0.80	0.75
Elmen Hghts Light		0.36	0.36	0.36	0.31	0.27
Spring Lake Light		0.41	0.41	0.41	0.35	0.30
Ulster Sewer		1.53	1.54	1.52	1.52	1.50
Whittier Sewer		5.07	5.10	5.05	5.07	4.76
Washington Avenue Sewer		13.19	13.15	13.11	12.90	9.26
Spring Lake Sewer District *				1.05	2.42	1.83
Ulster Water		1.12	1.14	1.14	1.14	1.15
Halcyon Park Water		350.89	349.66	349.66	349.66	343.56
Spring Lake Water		2.45	2.33	2.32	1.68	1.62
Cherry Hill Water		3.46	3.41	3.24	3.18	3.24
Bright Acres Water		4.45	4.40	4.37	4.36	4.37
Glenerie Water		5.62	5.57	5.57	5.44	5.19
East Kingston Water District		9.45	9.56	9.31	9.17	9.26

* New Sewer District

Tax Levy and Collection Record

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Town Taxes	\$5,913,857	\$6,100,411	\$6,160,937	\$6,374,680	\$6,326,163
Highway Taxes	2,694,810	2,767,743	2,764,008	2,774,440	2,766,300
Special District Taxes	4,936,852	5,082,973	5,064,806	5,115,866	5,186,523
County Taxes	5,092,380	5,264,136	5,253,609	5,308,253	4,882,132
Returned Taxes	361,811	324,631	317,452	161,031	349,606
Relevied Items & Misc.	3,370	9,814	12,092	10,470	2,844
Total Tax Levy	\$19,003,080	\$19,549,708	\$19,572,904	\$19,744,740	\$19,513,568
Collected Prior to Return	17,551,490	17,911,347	18,274,680	18,744,873	14,208,329
Returned to County:					
Amount	\$1,451,590	\$1,638,361	\$1,298,224	\$999,867	\$1,039,432
Percent	7.64%	8.38%	6.63%	5.06%	5.33%
Levy	None	None	None	None	None

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2019 through 2023 inclusive and budgeted for the fiscal year 2024.

Fiscal Year Ended <u>December 31:</u>	<u>Total Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2018	8,267,672	5,632,009	68.12
2019	8,786,982	5,913,857	67.30
2020	8,702,320	6,100,411	70.10
2021	9,330,293	6,160,937	66.03
2022	9,585,258	6,374,680	66.51
2023	10,140,129	6,326,163	62.39
2024 (Budgeted)	10,545,251	6,435,000	61.02

Source: Audited Financial Statements (2018-2023) and the Adopted Budget for 2024.

Tax Collection Procedure

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

The Town retains the total amount of Town, Highway and Special District levies from the total collections and returns the balance plus uncollected items to the County, which assumes responsibility.

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

Tax Levy Limitation Law

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

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

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

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

Selected Listing of Large Taxable Properties
2023 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Gas & Electric	Utility & Franchise	\$42,963,089
UH US HUDSON VALLEY 2019 LLC	Shopping Center	38,717,757
I.Park87 Complex	Office and Industrial	24,012,632
Kingston Mall LLC	Shopping Center	14,488,515
Kingston Real Estate LLC	Shopping Center	9,592,600
Dena Marie LLC / Kohl's Plaza	Shopping Center	8,553,750
Kingston NH Realty/ Ten Broeck	Nursing Home	8,025,000
Ulster Crossings LLC/ Benderson Plaza	Strip Mall - Mult- Tenant	7,285,000
GBR Neighborhood Rd LLC	Shopping center	7,285,000
Home Depot	Shopping Center	7,285,000
Sunset Garden Apartments	Apartments	6,366,300
CR Kingston Assoc./ Shop Rite Plaza	Shopping center	6,153,300
CDS Sisters-Quickchek-Washington Ave	Mini Mart	5,842,000
MHH Kingston Holdings, LL	Hotel	5,842,000
2017 Ulster LLC/Hannaford	Shopping center	5,750,000
Lake Katrine Apartments	Apartments	4,810,000
Adams Fairacre Farms	Shopping center	4,750,000
CSX Transportation, Inc.	Railroad	3,758,056
Lia Honda	Auto Dealership	3,750,000
Hampton Inn / Kingston Hospitality, Inc	Hotel	3,650,000
Firehouse Productions	Warehouse	1,837,500
Totals:		<u>\$220,717,499</u>

a. Represents 24.07% of the 2023 Taxable Assessed Valuation of the Town.

LITIGATION

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

Grants

The Town has received amounts in prior years from various grantor agencies. Should these grantor agencies conduct audits, any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be potentially disallowed by the grant agencies cannot be determined at this time.

Risk Management

The Town participates in a risk sharing pool to insure workers' compensation claims administered by the County. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The Town's share of the liability for unbilled and open claims (IBNR) at December 31, 2023 is \$592,313. As of December 31, 2023, the Town's portion of the pool's cash reserves was \$518,786, which leaves a net liability balance of \$73,527.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Town and its future results and financial position is not presently determinable.

CYBERSECURITY

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

IMPACT OF COVID-19

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

RATING

Standard & Poor's currently rates the outstanding long-term debt of the Town an "AA-". This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant.

MUNICIPAL ADVISOR

Munistat Services, Inc. has acted as the municipal advisor to the Town in connection with the preparation of this Statement.

OTHER MATTERS

The Town is in compliance with the procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the Town is January 1 to December 31.

This Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained from the Office of the Supervisor of the Town of Ulster, Town Hall, 1 Town Hall Drive, Lake Katrine, New York, 12449, telephone number 845/382-2765, Email: ulstersupervisor@townofulster.ny.gov and the Town's website www.townofulster.ny.gov or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Any statements in this Statement involving matters of opinion or estimates, whether or not expressly so stated are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

This Statement is submitted only in connection with the Town's "Undertaking to Provide Continuing Disclosure" pursuant to Rule 15c2-12 as promulgated by the Securities and Exchange Commission and may not be reproduced or used in whole or in part for any other purpose.


James E. Quigley, 3rd
SUPERVISOR

June 15, 2024

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 5,913,857	\$ 6,100,411	\$ 6,160,937	\$ 6,374,680	\$ 6,326,163
Non Property Tax Items	528,077	515,955	595,929	774,232	744,374
Other Tax Items	284,298	290,699	343,025	350,010	393,415
Departmental Income	561,529	463,426	455,494	532,254	565,875
Use of Money & Property	109,278	61,966	37,422	163,251	606,537
Licenses & Permits	251,043	387,717	267,899	529,745	215,902
Fines & Forfeitures	541,890	435,070	491,518	529,220	517,886
Sale of Property/Insurance Recoveries	61,437	23,803	66,917	181,732	106,566
Miscellaneous & Local Sources	85,520	113,076	95,609	60,989	11,344
State Aid	447,093	304,919	578,813	607,665	628,805
Federal Aid	2,960	5,278	122,881	565,459	43,842
Total Revenues	<u>8,786,982</u>	<u>8,702,320</u>	<u>9,216,444</u>	<u>10,669,237</u>	<u>10,160,709</u>
Expenditures:					
General Government Support	1,599,482	1,621,144	2,035,177	1,837,604	1,939,712
Education	3,488	0	527	2,267	1,217
Health	8,660	10,010	10,010	10,690	11,596
Public Safety	2,758,222	3,088,293	3,426,994	3,804,696	3,684,339
Transportation	196,760	183,719	220,940	210,812	195,846
Economic Opportunity & Development	7,499	980	3,399	8,025	9,492
Culture & Recreation	176,776	134,550	149,899	175,461	316,331
Home & Community Services	246,386	207,794	177,228	215,427	188,179
Employee Benefits	2,467,138	2,418,633	2,587,363	2,822,909	3,077,434
Debt Service					
Total Expenditures	<u>7,464,411</u>	<u>7,665,123</u>	<u>8,611,537</u>	<u>9,087,891</u>	<u>9,424,146</u>
Excess of Revenues Over (Under)					
Expenditures	1,322,571	1,037,197	604,907	1,581,346	736,563
Other Financing Sources (Uses)					2,648
Operating Transfers Out	(555,958)	(178,000)		(514,038)	(718,630)
Total Financing Sources	<u>(555,958)</u>	<u>(178,000)</u>	<u>0</u>	<u>(514,038)</u>	<u>(715,982)</u>
Balance, Beginning of Year	6,084,892	6,851,505	7,710,702	8,315,609	9,382,917
Prior Period Adjustments (Net) ,Restated	<u>6,084,892</u>	<u>6,851,505</u>	<u>7,710,702</u>	<u>8,315,609</u>	<u>9,382,917</u>
Balance, End of Year	<u>\$ 6,851,505</u>	<u>\$ 7,710,702</u>	<u>\$ 8,315,609</u>	<u>\$ 9,382,917</u>	<u>\$ 9,403,498</u>

Source: Audited Financial Statements of the Town (2019 - 2023)

Note: This Schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Balances
Highway Fund

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 2,694,810	\$ 2,767,743	\$ 2,764,008	\$ 2,774,440	\$ 2,766,300
Other Tax Items	60,108	65,406	66,051	67,852	73,538
Departmental Income	253,269	470,998	227,642	191,245	532,593
Use of Money & Property	25,767	14,301	3,564	22,514	135,139
Licenses & Permits	50	0	150	50	100
Sale of Prop & Comp for Loss	1,807	0	3,836	27,040	84,437
Miscellaneous Sources	52,580	11,201	9,320	10,876	1,316
State Aid	211,241	168,986	343,478	343,922	
Fed Aid					
Total Revenues	<u>3,299,632</u>	<u>3,498,635</u>	<u>3,418,049</u>	<u>3,437,939</u>	<u>3,593,423</u>
Expenditures:					
General Government Support					
Transportation	2,269,760	2,528,789	2,277,934	2,881,642	2,217,049
Employee Benefits	739,449	747,890	738,960	791,712	839,277
Debt Service	468,495				
Total Expenditures	<u>3,477,704</u>	<u>3,276,679</u>	<u>3,016,894</u>	<u>3,673,354</u>	<u>3,056,326</u>
Other Financing Sources (Uses)					
Proceeds of Debt Insurance					
Transfer In	243,895				600,000
Total Financing Sources	<u>243,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>
Net Changes in Fund Balance	<u>65,823</u>	<u>221,956</u>	<u>401,154</u>	<u>(235,415)</u>	<u>1,137,097</u>
Balance, Beginning of Year	1,029,107	1,094,930	1,316,885	1,718,039	1,482,626
Prior Period Adjustments (Net)				2	
Balance, Beginning of Year (Restated)	<u>1,029,107</u>	<u>1,094,930</u>	<u>1,316,885</u>	<u>1,718,041</u>	<u>1,482,626</u>
Balance, End of Year	<u>\$ 1,094,930</u>	<u>\$ 1,316,885</u>	<u>\$ 1,718,039</u>	<u>\$ 1,482,626</u>	<u>\$ 2,619,723</u>

Source: Audited Financial Statements of the Town (2019 - 2023)

Note: This Schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Balances
Sewer Fund

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 1,156,958	\$ 1,192,334	\$ 1,175,354	\$ 1,165,644	\$ 1,177,289
Other Tax Items					
Departmental Income	640,736	782,168	667,170	850,589	1,014,208
Use of Money & Property	53,511	22,124	5,415	54,162	236,605
Sale of Prop & Comp for Loss	160	60,000			
Miscellaneous Sources	1,575	350	330		46,219
Federal Aid					
Total Revenues	<u>1,852,940</u>	<u>2,056,976</u>	<u>1,848,269</u>	<u>2,070,395</u>	<u>2,474,321</u>
Expenditures:					
General Government Support	58,271	53,708	58,049	49,242	51,452
Home & Community Service	1,019,112	1,338,885	1,356,097	1,147,099	1,230,889
Employee Benefits	335,524	329,824	352,097	327,496	294,382
Debt Service	168,644	163,421	83,970	81,363	77,698
Total Expenditures	<u>1,581,551</u>	<u>1,885,838</u>	<u>1,850,213</u>	<u>1,605,200</u>	<u>1,654,421</u>
Other Financing Sources (Uses):					
Proceeds of Obligations					
Transfer In					
Transfer Out		(1,050)	0	0	0
Total Financing Sources	<u>0</u>	<u>(1,050)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>271,389</u>	<u>170,088</u>	<u>56</u>	<u>465,195</u>	<u>819,900</u>
Balance, Beginning of Year	3,454,137	3,725,526	3,895,611	3,895,667	4,360,862
Prior Period Adjustments (Net)					
Balance, Beginning of Year (Restated)	<u>3,454,137</u>	<u>3,725,523</u>	<u>3,895,611</u>	<u>3,895,667</u>	<u>4,360,862</u>
Balance, End of Year	<u>\$ 3,725,526</u>	<u>\$ 3,895,611</u>	<u>\$ 3,895,667</u>	<u>\$ 4,360,862</u>	<u>\$ 5,180,762</u>

Source: Audited Financial Statements of the Town (2019 - 2023)

Note: This Schedule NOT audited

Statement of Revenues, Expenditures and Changes in Fund Balances
Water Fund

	Fiscal Year Ending December 31:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 1,147,988	\$ 1,185,384	\$ 1,175,656	\$ 1,155,195	\$ 1,143,263
Departmental Income	1,427,545	1,380,959	1,495,465	1,670,445	1,716,975
Use of Money & Property	22,578	16,223	23,207	51,070	176,986
Sale of Prop & Comp for Loss	6,474	7,226	9,156	6,671	11,381
Miscellaneous Sources	150	23,171	1,388	14,119	
State Aid					
Total Revenues	<u>2,604,735</u>	<u>2,612,963</u>	<u>2,704,872</u>	<u>2,897,500</u>	<u>3,048,605</u>
Expenditures:					
General Government Support	46,451	38,664	40,317	38,234	34,990
Home & Community Service	1,789,796	1,806,785	1,835,845	1,641,911	2,269,653
Employee Benefits	308,258	294,823	307,458	311,900	340,207
Debt Service	<u>217,757</u>	<u>217,328</u>	<u>211,905</u>	<u>215,300</u>	<u>214,455</u>
Total Expenditures	2,362,262	2,357,600	2,395,525	2,207,345	2,859,305
Other Financing Sources (Uses):					
Transfer In					118,630
Transfer Out		(15,000)		(30,000)	(133,220)
Proceeds From Debt					
Total Financing Sources		<u>(15,000)</u>	<u>0</u>	<u>(30,000)</u>	<u>(14,590)</u>
Net Changes in Fund Balances	<u>242,473</u>	<u>225,363</u>	<u>309,347</u>	<u>630,155</u>	<u>160,120</u>
Balance, Beginning of Year	1,546,788	1,789,261	2,029,624	2,338,971	2,999,126
Prior Period Adjustments (Net)					
Balance, Beginning of Year (Restated)	<u>1,546,788</u>	<u>1,789,261</u>	<u>2,029,624</u>	<u>2,338,971</u>	<u>2,999,126</u>
Balance, End of Year	<u>\$ 1,789,261</u>	<u>\$ 2,029,624</u>	<u>\$ 2,338,971</u>	<u>\$ 2,999,126</u>	<u>\$ 3,173,836</u>

Source: Audited Financial Statements of the Town (2019 - 2023)

Note: This Schedule NOT audited

Balance Sheets

Fiscal Year Ending December 31, 2023

	<u>General</u> <u>Fund</u>	<u>Highway</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>
Assets:				
Cash and Cash Equivalents	\$ 5,732,554	\$ 968,870	\$ 1,710,391	\$ 1,873,887
Accounts Receivable	220,256		298,281	540,759
Investment in Statutory Bond - Restricted State & Federal Aid Recievables (net)				
Prepaid Expenses	196,933	33,422	11,983	15,127
Due From Other Funds	255,057	357,873	53,863	672
Due From Other Governments	121,949	4,275		
Cash - Restricted	<u>4,151,098</u>	<u>1,367,423</u>	<u>3,258,538</u>	<u>1,056,454</u>
Total Assets	<u>\$ 10,677,847</u>	<u>\$ 2,731,863</u>	<u>\$ 5,333,056</u>	<u>\$ 3,486,899</u>
Liabilites and Fund Equity:				
Accounts Payable and Other Liabilities	\$ 443,868	\$ 38,000	\$ 76,515	\$ 268,819
Due to Other Funds	24,769		27,672	11,532
Other Liabilities	648,697			
Other Deposits				
Due to Other Governments	<u>157,015</u>	<u>74,140</u>	<u>48,107</u>	<u>32,712</u>
Total Liabilities	<u>1,274,349</u>	<u>112,140</u>	<u>152,294</u>	<u>313,063</u>
Fund Balances:				
Nonspendable	196,933	33,422	11,983	15,127
Restricted	4,151,098	1,367,423	3,258,538	1,056,454
Assigned	849,283	1,218,878	1,910,241	2,102,255
Unassigned	<u>4,206,184</u>			
Total Fund Equity	<u>9,403,498</u>	<u>2,619,723</u>	<u>5,180,762</u>	<u>3,173,836</u>
Total Liabilities and Fund Equity	<u>\$ 10,677,847</u>	<u>\$ 2,731,863</u>	<u>\$ 5,333,056</u>	<u>\$ 3,486,899</u>

Source: Audited Financial Statements of the Town (2023)

Summary of Budget By Funds

Fiscal Year Ending December 31, 2024:

	<u>Appropriations</u>	Less: Est Revenues and Appropriated Surplus	<u>Amount of Property Tax</u>
General Fund	\$ 10,457,976	\$ 4,022,976	\$ 6,435,000
Highway Fund	3,622,221	824,151	2,798,070
Ulster Water	2,273,947	1,598,947	675,000
Halcyon Park Water	116,842	60,842	56,000
Spring Lake Water	112,253	83,785	28,468
Bright Acres Water	105,721	39,721	66,000
Cherry Hill Water	194,052	96,052	98,000
Glenerie Water	192,717	55,430	137,287
East Kingston Water	98,538	31,538	67,000
Whitter Sewer	180,714	25,890	154,824
Ulster Sewer	1,642,743	785,861	856,882
Washington Avenue Sewer	243,684	161,387	82,297
Spring Lake Sewer	33,887	18,180	15,707
Special District Library	383,021	0	383,021
Fire Protection and Fire Districts	219,875	0	219,875
Lighting Districts	50,520	5,850	44,670
TOTAL	<u>\$ 19,928,711</u>	<u>\$ 7,810,610</u>	<u>\$ 12,118,101</u>

TOWN OF ULSTER

APPENDIX B

**UNAUDITED ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

► [Click Here For 2023 AFR](#)

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