

**STATEMENT**

**OF**

**ANNUAL FINANCIAL AND OPERATING INFORMATION**

**TOWN OF NEW WINDSOR**

**ORANGE COUNTY, NEW YORK**

**DATED: JUNE 19, 2014**

**TOWN OF NEW WINDSOR  
ORANGE COUNTY, NEW YORK**

Town of New Windsor Office Building  
555 Union Avenue  
New Windsor, NY 12553  
845/563-4623

**TOWN BOARD**

George A. Green, Town Supervisor

Alice Biasotti  
Eric Lundstrom  
Patricia Y. Mullarkey  
Andrew Regenbaum

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Deborah Green, Town Clerk  
Michael Blythe, Town Attorney

\* \* \*

**FINANCIAL ADVISOR**

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

12 Roosevelt Avenue  
Port Jefferson Station, N.Y. 11776  
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# **STATEMENT OF ANNUAL FINANCIAL AND OPERATING INFORMATION**

## **TOWN OF NEW WINDSOR ORANGE COUNTY, NEW YORK**

The material set forth herein, including the cover page, has been prepared by the Town of New Windsor, Orange 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 the Continuing Disclosure Undertakings and the Official Statements having been prepared in connection with the sale and issuance of the following bond issues.

\$3,000,000 Water Improvement Serial Bonds - 1996  
\$4,000,000 Various Purposes Serial Bonds - 1998  
\$6,300,000 Public Improvement Serial Bonds - 2001  
\$3,920,000 Public Improvement Serial Bonds - 2004

### **TOWN OF NEW WINDSOR**

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

#### **Description**

The Town, with a land area of approximately 36 square miles and a population of approximately 25,244 is located in east central Orange County, immediately south of the City of Newburgh on the west bank of the Hudson River about 60 miles north of New York City. The Town is primarily a suburban residential area with commercial and industrial operations and some agriculture, the latter principally in the western portion of the Town.

Commercial facilities consist of small shopping centers and strip malls, variously including chain food stores, specialty stores, chain and non-chain retail stores, movie theater, restaurants, etc., typically found in communities. Bank branches of national, regional and local banks are located within the Town.

Residential development consist primarily of single family homes, condominiums and garden apartment complexes. Residents are employed in commercial, non-commercial, professional, government businesses and industries, located in Town, neighboring and surrounding communities. In addition, a significant number of residents commute to New York City and the metro area by car, bus and commuter train services.

Stewart International Airport ("Airport") located principally within the Town is operated under two 99 year leases. One from the New York State Department of Transportation to the Port Authority of New York and New Jersey for the Airport and Airport aviation properties. The other lease from the Town to First Columbia Corporation, provides for the development of lands adjacent to the Airport into an office/industrial complex. In 2012, the majority of this land reverted back to the Town for development. In addition substantial infrastructure upgrades linking the Airport to the New York State Thruway and Interstate 84 have been completed.

Electric and gas utilities service for the Town is provided by Central Hudson Gas & Electric Corp. Water service is provided by the Town's municipal water system primarily by the New York State Department of Environmental Protection Catskill Aqueduct. Sewer service and garbage collection is also provided by the Town's municipal services. Police protection is provided by the Town's police force consisting of approximately 40 full-time officers, plus staff. Fire protection is provided by the Town's three volunteer fire districts. Emergency medical services are provided by the Town's volunteer ambulance service district.

Rail transportation is provided by the Conrail and Metro North railroads. The New York State Thruway and Interstate Route 84 traverse the Town, with access via the Newburgh exits, just north of New Windsor. Other highways are U.S. Highway 9W, New York State Highways Routes 32, 94 and 207.

## **Government**

The Town was established in 1763. Four independently governed school districts are located partially within the Town which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as their basis for taxation of property located within the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive officer of the Town, elected for a term of two years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two council members are elected every two years. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

Additional Town officers are the Town Clerk (elected at large for a four year term), the Receiver of Taxes, who is responsible for the collection of taxes (elected at large for a four year term), the Superintendent of Highways (elected at large for a two year term), and the Assessor, the Town Attorney and the Comptroller, all of whom are appointed by the Town Board. Professional services for engineering, operation and maintenance of the Town's water and sewer systems are by annual appointment by the Town Board or by longer term contracts. Other professional services are retained by the Town Board as necessary or required.

## **Financial Organization**

The Supervisor is the chief fiscal officer of the Town. The Comptroller is the accounting officer of the Town, and his duties include administration, direction and control of budget and insurance, accounts payable and receivables and payroll. The Comptroller is also responsible for drafting and preparing the budget and securing and administering State and Federal grants.

## **Employees**

The Town provides services through approximately 123 full-time employees, 39 regular part-time, and 60 seasonal (summer) employees of whom the following full-time employees are represented by organized labor.

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Civil Service Employees Association .....	69	12-31-15
Patrolmen's Benevolent Association .....	40	12-31-15

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Characteristics

The Town is located in Orange County, New York, approximately 60 miles north of New York City along the westside of the Hudson River. It is within a few miles to Interstate 84, the New York State Thruway and Stewart International Airport. The Town is primarily a suburban residential community comprising approximately 36 square miles.

<u>Year</u>	<u>Town</u>	<u>Orange County</u>	<u>New York State</u>	<u>United States</u>
2000 .....	22,866	341,367	18,976,457	281,421,906
2008 .....	25,149	379,520	19,467,789	304,006,550
2009 .....	25,254	383,532	19,541,453	307,006,550
2010 .....	25,244	372,813	19,378,102	308,745,538
2011 .....	N/A	374,438	19,501,616	311,587,816
2012 .....	N/A	374,512	19,570,261	313,914,040
2013 .....	N/A	375,592	19,651,127	316,128,839

Source: U.S. Bureau of the Census.

### Income Data

	<u>Median Family Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2012*</u>
Town	\$44,863	\$59,207	\$86,375	\$94,774
County	44,039	60,355	82,480	85,640
State	39,741	51,691	67,405	69,968
United States	-	50,046	62,982	64,585

  

	<u>Per Capita Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2012*</u>
Town	\$15,843	\$22,806	\$31,652	\$32,984
County	15,198	21,597	28,944	30,397
State	16,501	23,389	30,948	32,104
United States	14,420	30,634	27,334	28,051

Source: United States Bureau of the Census

\*Note: Based on American Community Survey 5-Year Estimates (2008-2012)

### Summary of Building Activity (Number of Building Permits Issued)

	<u>Residential</u>			<u>Comm. &amp; Ind.</u>	<u>Total</u>
	<u>Single Family</u>	<u>Apt. Complexes</u>	<u>Misc.</u>		
2009 .....	17	2	647	116	782
2010 .....	30	0	498	168	696
2011 .....	92	0	464	164	720
2012 .....	76	0	584	163	823
2013 .....	83	1	538	223	845

Source: Town of New Windsor, Office of the Building and Zoning Inspector.

### Selected Listing of Large Taxable Properties

<u>Name</u>	<u>Type</u>	<u>Approx. No Employees</u>
Verla International LTD .....	Manufacturing-Cosmetics	445
Precision Pipeline Solution.....	Service-Utility Infrastructure Svc.	350
Knapp Consultants Inc.....	Svc.-Recruiting & Human Resources	215
Coca-Cola Bottling Co. of New York, Inc. ....	Distribution – Beverages	200
LSI Lighting Solutions .....	Manufacturing – Lighting Fixtures	200
Metal Container Corp. ....	Manufacturing – Aluminum Cans	150
West Point Tours .....	Transportation-Buses, Charters & Rentals	150
Central Hudson Gas & Electric .....	Utilities/Energy – Provider	125
Production Resource Group LLC .....	Mfg. – Scenic & Theatrical Settings	125
Gallagher Transportation.....	Transportation - Bus Lines/Truck Sales, Leasing and Services	120

Source: Orange County Partnership

### Unemployment Rate Statistics

	<u>New Windsor</u>	<u>Orange County</u>	<u>New York State.</u>
2009 .....	8.1%	7.8%	8.4%
2010 .....	8.6	8.3	8.6
2011 .....	8.1	7.8	8.2
2012 .....	8.8	8.3	8.5
2013 .....	7.6	7.2	7.7
2014 (4 Months) .....	6.3	6.3	7.1

Source: Department of Labor, State of New York

### INDEBTEDNESS OF THE TOWN

#### Computation of Debt Limit (As of June 19, 2014)

<u>Fiscal Year Ending December 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2010 .....	\$379,706,618	14.47%	\$2,624,095,494
2011 .....	380,035,220	17.31	2,195,466,320
2012 .....	378,461,937	17.47	2,166,353,389
2013 .....	376,250,837	18.21	2,066,177,029
2014 .....	378,413,586	19.28	1,962,726,068
Total Five Year Full Valuation .....			\$11,014,818,300
Average Five Year Full Valuation .....			2,202,963,660
Debt Limit - 7% of Average Full Valuation.....			154,207,456

**Calculation of Total Net Indebtedness and Net Debt Contracting Margin**  
(As of June 19, 2014)

Debt Limit .....	\$154,207,456
Inclusions:	
Outstanding Bonds:	
General Purposes .....	\$ 3,113,550
Non-Excluded Sewer .....	1,232,600
Water.....	<u>1,762,455</u>
Sub-Total.....	<u>\$ 6,108,605</u>
Bond Anticipation Notes .....	<u>1,600,000</u>
Total Inclusions .....	<u>\$ 7,708,605</u>
Exclusions:	
Water Debt.....	\$ 2,707,455
Appropriations and Cash on Hand.....	<u>650,750</u>
Total Exclusions.....	<u>\$ 3,358,205</u>
Total Net Indebtedness.....	<u>\$ 4,350,400</u>
Net Debt Contracting Margin.....	<u>\$149,857,056</u>
Per Cent of Debt Limit Exhausted .....	2.82%

a. Excluded pursuant to a certificate issued by the Comptroller of the State of New York in accordance with Section 124.10 of the Local Finance Law.

**Debt Service Requirements - Outstanding Bonds**

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014 .....	\$1,095,455	\$280,362	\$1,375,817
2015 .....	1,075,588	232,492	1,308,080
2016 .....	1,075,721	184,110	1,259,831
2017 .....	900,854	140,160	1,041,014
2018 .....	830,987	100,800	931,787
2019 .....	600,000	63,863	663,863
2020 .....	375,000	37,500	412,500
2021 .....	<u>375,000</u>	<u>18,750</u>	<u>393,750</u>
	<u>\$6,328,605</u>	<u>\$1,058,037</u>	<u>\$7,386,642</u>

**Details of Short-Term Indebtedness Outstanding**

As a result of the extraordinary and unanticipated expenses sustained by the Town due to Hurricane Irene, the Town Board on February 1, 2012 approved the issuance of up to \$1,692,000 of bonds for sewer fund infrastructure improvements and costs; as well as up to \$578,000 for water infrastructure improvements and costs. On May 3, 2012, under the February 1, 2012 board approval, the Town issued an EFC Hurricane Emergency Loan Program (HELP) Bond Anticipation Note – 2012A (Hurricane BAN) in the amount of \$1,000,000.

Proceeds from the Hurricane BAN were used to reimburse the Town’s Sewer Fund in the amount of \$425,000 and \$575,000 to the Water Fund for a portion of its costs incurred due to the Hurricane Irene disaster.

On November 7, 2012, Town Board adopted a bond resolution for a water improvement project to explore the establishment of an independent source of water for the residents of the Town. Under this resolution, on January 15, 2013, the Town issued a bond anticipation note for \$600,000 for the St. Anne's Well rehabilitation portion of the Town's water improvement project. The proceeds of this Note financed the costs of reconstructing the St. Anne's Well pumping system and controls; and the installing a new twenty- four inch distribution pipeline.

On October 3, 2012, the Town Board adopted a bond resolution for the renovation of the Town's highway garage facility. A Note in the amount of \$700,000 was issued on April 4, 2013. The Note proceeds are being used to finance the costs of renovating the garage facility located at 196 Perimeter Road to function as the new location for the Town of New Windsor Highway Garage. This facility will function as an area to store, maintain and repair the Town's highway and garbage vehicles and equipment, as well as the location for administrative offices for the highway and garbage departments.

On August 7, 2013, the Town Board adopted a bond resolution authorizing the issuance of \$500,000 bonds of the Town to finance the preparation of surveys, preliminary and detailed plans necessary for planning the proposed increase and improvement of water district facilities.

Additional information regarding the Town's short-term debt is contained under the caption "Anticipated Future Borrowings".

**Anticipated Future Borrowings**

The Town has no formal capital program. The Town has an infrastructure committee consisting of the Town Supervisor, the Town Attorney, the Engineer for the Town, the Operating Engineer for the Town's sewer and water facilities, the Town's Planning Board Chairman, and several others. The committee meets on a regular basis to review current plans, the status of current construction projects and the planning for future infrastructure needs.

In addition to various existing or planned capital projects, the Town is currently researching alternatives to supplement its current water supply as well as either the expansion of our existing sewer treatment plant or the construction of a new sewer treatment plant.

On January 11, 2012, the Town Board approved an "intent to bond" resolution to explore the establishment of an independent source of water for the residents of the Town. This project consists of drillings of wells, construction of delivery system and reimbursement of exploratory expenditures. A bonding amount, if the Town proceeds with this entire water improvement project, has not been finalized but is expected to range from \$8 to \$10 million.

The following is a schedule of anticipated future borrowings for 2014, as of June 19, 2014:

<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Status</u>
Bond Anticipation Note	FEMA PW Butternut Drive	\$2,500,000	Anticipated
Bond Anticipation Note	Water Improvement Project	2,500,000	Anticipated
Bond Anticipation Note	STP Improvement Project	1,000,000	Anticipated

**Authorized but Unissued Indebtedness**

As of the date of this Statement, the Town has the following authorizations for borrowing which have not been funded:

**Authorization and Purpose**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Amount Unissued</u>
02-01-12	Sewer Fund Infrastructure Improvements & Costs	\$1,692,000	\$425,000	\$1,267,000
02-01-12	Water Infrastructure Improvements & Costs	578,000	575,000	3,000
10-03-12	Highway Garage Renovation	1,000,000	700,000	300,000
08-07-13	Increase & Improvement to Consolidated Water District Facilities	500,000	-	<u>500,000</u>
Total				<u>\$2,070,000</u>

**Trend of Outstanding Debt**

	Fiscal Year Ending December 31:				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Outstanding End of Year:					
Subject to Debt Limit:					
Bonds.....	\$11,185,550	\$9,334,100	\$7,732,650	\$6,086,900	\$4,391,150
Bond Anticipation Notes.....	-	-	-	-	1,040,000
Capital Notes.....	-	-	-	-	-
Sub-Total .....	<u>\$11,185,550</u>	<u>\$9,334,100</u>	<u>\$7,732,650</u>	<u>\$6,086,900</u>	<u>\$5,431,150</u>
Not Subject to Debt Limit:					
Bonds.....	\$3,542,900	\$3,130,072	\$2,736,466	\$2,337,027	\$1,937,455
Bond Anticipation Notes.....	-	-	-	-	1,060,000
Capital Notes.....	-	-	-	-	-
Other Notes .....	-	-	-	-	-
Sub-Total .....	<u>\$ 3,542,900</u>	<u>\$ 3,130,072</u>	<u>\$2,736,466</u>	<u>\$2,337,027</u>	<u>\$2,997,455</u>
Total Debt Outstanding .....	<u>\$14,728,450</u>	<u>\$12,464,172</u>	<u>\$10,469,116</u>	<u>\$8,423,927</u>	<u>\$8,428,605</u>

**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 Orange .....	07-16-13	6.52%	\$16,866,914	\$15,477,828
Newburgh City S.D. ....	12-31-12	35.04	37,387,680	37,387,680
Washingtonville C.S.D.....	12-05-12	16.70	3,910,305	1,168,499
Cornwall C.S.D .....	02-16-12	11.05	4,630,502	4,630,502
Valley C.S.D.....	06-30-12	0.46	89,884	89,884
Fire Districts (Est.) .....	12-31-11	Var.	<u>0</u>	<u>0</u>
Totals .....			<u>\$62,885,285</u>	<u>\$58,754,393</u>

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

**Debt Ratios**  
(As of June 19, 2014)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage of Full Value<sup>b</sup></u>
Total Direct Debt .....	\$7,283,605	\$289	0.371%
Net Direct Debt.....	4,650,400	184	0.237
Total Direct & Applicable Total Overlapping Debt....	70,168,890	2,780	3.575
Net Direct & Applicable Net Overlapping Debt .....	63,404,793	2,512	3.230

- a. The estimated population of the Town is 25,244 according to the 2010 U.S. Census.  
b. The full valuation of taxable real property in the Town for 2013-2014 is \$1,962,726,068.

**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, 2013. A copy of such report is attached hereto 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 2009-2013 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.

The Town presently maintains the following governmental funds: General Funds, Capital Fund, Highway Fund, Water Districts, Sewer Districts and Non Major Funds (Garbage District Fund, Fire Protection District Fund and the Ambulance District Fund). Fiduciary funds include Trust and Agency Funds. There are no proprietary funds.

*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 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 principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town's government-wide, proprietary, and fiduciary fund financial statements are accounted for on the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from other taxes are recorded when available. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

### **Investment Policy**

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; or (6) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, 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 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.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance and the eligible securities utilized for such collateral must be held by a third party financial institution, pursuant to security and custodial agreements. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts. In the case of collateralization, collateral shall preferably be delivered to a Custodial Bank with which the Town has entered into a Custodial Agreement or, in the absence of a third party Custodial Bank, collateral shall be transferred to a separate department of the bank with which the money is invested or, at a minimum allowable, collateral shall be transferred by book entry to an account reserving such collateral exclusively for the use of the Town. The market value of all collateral shall at all times equal or exceed the principal amount of the investments to be protected. Collateral shall be monitored no less frequently than monthly and market value shall mean the bid or closing price as quoted in the Wall Street Journal or as quoted by another recognized pricing service.

Every effort shall be made to use the preferable method of collateralization as described above, that being a third-party custodial agreement. This custodial agreement shall be a written contract between the Town, the investment bank and the custodial bank. In the event however, that the investment bank meets all other criteria of safety and financial strength, and in the event that the investment bank's system of collateralization does not include a third-party bank, this absence of a third-party bank shall not preclude the use of that bank as an investment bank.

The Town Comptroller, when investing in certificates of deposit shall bid the investment among a minimum of three (3) financial institutions in order to secure the best rate of return.

At the time independent auditors conduct the annual audit of the accounts and financial affairs of the Town, the independent auditor shall audit the investments of the Town for compliance with the provisions of these investment guidelines.

The Town Board of the Town shall review and amend if necessary the investment guidelines at least annually.

### **Budgetary Procedures**

The Supervisor also serves as the Budget Officer of the Town and, with the assistance of the Town Comptroller, is responsible for the initial formulation of the budget to be presented to the Town Clerk by September 30th of each year. The Town Comptroller distributes budget estimate forms to all department heads early in August of each year and then conducts such financial analysis and review as is necessary to substantiate the budget requests. Upon completion of this review, but prior to September 30th, when the report must be filed with the Town Clerk, the entire Town Board reviews the tentative budget. This review continues as the Board prepares its preliminary budget for public hearing. The preliminary budget is presented on a departmental basis by object of expense indicating the proposed budget, year-to-date expenses of the current budget, the departmental request and the Town Comptroller's recommendation. The budgets for the sewer district, highway funds and special district funds are presented in the same manner.

By October 5th, the Town Clerk must present the tentative budget to the Town Board, which then prepares the preliminary budget prior to the mandatory public hearing required to be held no later than the first Thursday after the general election of each year. Five days prior to such public hearing, notice of such public hearing must be published. Final adoption of the preliminary budget must be accomplished on or before November 20th. The budget is not subject to referendum.

The Town Board may, during the course of the year, make changes in the appropriations and other modifications of the budget as it deems necessary in accordance with the Town Law.

### **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, which are delegated to and carried out by the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Town Comptroller. 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. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water, sewer, garbage, fire and ambulance districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. 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.

### **Revenues**

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financing sources for the five most recently completed fiscal years may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

#### *Real Property Taxes*

See "Real Property Tax Information", herein.

## Governmental Aid

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

Based on the audited Financial Statements of the Town, the Town received approximately 4.53% of its total General Fund operating revenue from State aid in 2013. 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, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available to pay State aid in future years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2009 through 2013, inclusive and the budgeted amount for fiscal year 2014.

<u>Year Ended December 31:</u>	<u>Total General Fund Town Revenue</u>	<u>State Aid</u>	<u>State Aid To Revenues (%)</u>
2009	\$11,890,261	\$1,156,048	9.72%
2010	13,109,673	1,202,363	9.17
2011	14,247,286	816,030	5.73
2012	14,486,220	1,128,883	7.79
2013	18,605,453	843,193	4.53
2014 (Budgeted)	14,940,441	657,000	4.40

## 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 Information.

## Employee Pension System

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS" and together with ERS, the "Retirement System"). The Retirement System is a cost-sharing multiple public employer 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, except for "Tier 6" employees, as discussed below, whose benefits vest after ten 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 and before January 1, 2010 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 employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Due to significant capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State’s Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Most recently, in Spring 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount.

The primary purpose of the SCO plans is to reduce the volatility of future pensions ARC. However, although the pension contribution rates under this program would reduce near-term payments, it will require higher than normal contributions in later years. This Town has not participated in any of the amortization programs and does not intend to do so in the foreseeable future.

### **Contributions to the Retirement Systems**

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Employees</u> <u>Retirement System</u>	<u>Policemen’s &amp;</u> <u>Firemen’s</u> <u>Retirement System</u>	<u>Total</u>
2009 .....	\$441,194	\$513,766	\$ 954,960
2010 .....	350,018	538,897	888,915
2011 .....	539,444	609,142	1,148,586
2012 .....	699,029	766,128	1,465,157
2013 .....	824,681	918,340	1,743,021
2014 (Budgeted) .....	1,044,717	1,118,710	2,163,427

## 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. 45 ("GASB 45") described below requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is determined for each municipality or school district. 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 or school district 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 45 does not require that the liability actually be amortized nor that it be funded only that the municipality or school district account for its unfunded accrued liability and comply in meeting its ARC. The Town has retained an independent firm to conduct the actuarial valuation and, as of December 31, 2013 the actuarial accrued liability for the Town is \$22.4 million and the ARC is \$2.8 million.

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

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 had decided to continue funding the expenditure on a pay-as-you-go basis.

## REAL PROPERTY TAX INFORMATION

### Real Property Taxes

The Town derives a significant portion of its annual revenue through a direct real property tax.

Tables presenting the tax levy, by purpose, collection performance and tax rates can be found in Appendix A.

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 2009 through 2013 inclusive, and budgeted amounts for fiscal year 2014.

<u>Fiscal Year Ending December 31:</u>	<u>Total General Fund Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2009	\$11,890,261	\$4,961,298	41.73%
2010	13,109,673	5,328,637	40.65
2011	14,247,286	6,243,970	43.83
2012	14,486,220	6,350,419	43.84
2013	18,605,453	6,664,936	35.82
2014 (Budgeted)	14,940,441	6,662,441	44.59

Source: Audited financial statements 2009 through 2013 and adopted budgets for fiscal year 2014.

## **Tax Collection Procedure**

Taxes are due 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 April the tax roll is returned to the County and taxes are payable to the County Commissioner of Finance. The Town retains the total amount of Town, Highway, Special Districts, Fire Districts and delinquent water and sewer levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

As far as the Town is concerned there are no uncollected taxes. Payment in full of all Town items is guaranteed by the County.

## **Tax Levy Limit Law**

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing on or after January 1, 2012, continuing through December 31, 2016 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town, without limitation as to rate or amount, may or may not be subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law. The actual effect of the Tax Levy Limit Law would depend upon the interpretation of such law by a court of competent jurisdiction in the event of a legal challenge.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if it first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

**Selected Listing of Large Taxable Properties**  
2014 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Gas & Electric.....	Utility	\$12,251,810
NY State DEC.....	Taxable State Owned Lands	7,021,810
First Columbia.....	Office & Manufacturing Park	4,173,600
WVR Real Estate.....	Retail Shopping Center	4,442,000
Knox Village Associates.....	Apartment Complex	2,614,400
LSI-Lightron.....	Manufacturing	1,831,300
VGR Associates.....	Retail Shopping Center	1,544,450
4 Acres LLC.....	Retail Shopping Center	1,538,900
Scenic Properties LLC.....	Manufacturing	1,520,800
Squire Village Properties.....	Apartment-Condos	1,327,055
New Windsor Properties.....	Apartments	1,324,900
New Windsor Business Park.....	Office Buildings	1,274,650
Oakwood Terrace.....	Co-operative Apartments	1,200,000
Global Companies, LLC.....	Oil Tank Farm	1,035,900
HZ Development Partners.....	Warehouses & 3 Houses	<u>1,016,200</u>
		<u>\$44,117,775</u>

- a. Assessment Roll established in 2013 for levy and collection of taxes in 2014.  
b. Represents 11.66% of the 2014 Taxable Assessed Valuation of the Town of \$378,413,586.

**LITIGATION**

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which there is a reasonable likelihood that, if determined against the Town, would have an adverse material affect on the financial condition of the Town.

**FINANCIAL ADVISOR**

Munistat Services, Inc. has assisted the Town as financial advisor in certain matters with respect to the sale and issuance of the Bonds.

### ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Town Comptroller, Town of New Windsor, Town Hall, 555 Union Avenue, New Windsor, New York 12553, telephone number 845/563-4623, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, and 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.

TOWN OF NEW WINDSOR, NEW YORK

By: s/s GEORGE A. GREEN  
Supervisor and Chief Fiscal Officer

June 19, 2014

**TOWN OF NEW WINDSOR**

**APPENDIX A**

**FINANCIAL INFORMATION**

**Statement of Revenues, Expenditures and Fund Balances  
General Fund**

Fiscal Year Ending December 31:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 4,961,298	\$ 5,328,637	\$ 6,243,970	\$ 6,350,419	\$ 6,664,936
Real Property Tax Items	191,978	36,676	33,100	31,000	35,500
Non-Property Taxes	3,481,014	3,839,998	4,082,744	4,289,965	4,389,253
Departmental Income	798,516	995,975	867,716	688,279	876,931
Use of Money and Property	329,102	317,902	311,435	302,114	329,025
Licenses & Permits	13,355	21,114	159,606	113,059	274,533
Fines & Forfeitures	672,735	870,285	965,052	966,829	878,896
Sale of Property and Compensation for Loss	19,713	79,887	83,311	163,962	3,721,535
Miscellaneous	116,502	159,836	161,316	109,875	127,342
Interfund Revenues	150,000	257,000	523,006	341,835	464,309
State and Federal Aid	1,156,048	1,202,363	816,030	1,128,883	843,193
<b>Total Revenues</b>	<u>11,890,261</u>	<u>13,109,673</u>	<u>14,247,286</u>	<u>14,486,220</u>	<u>18,605,453</u>
<b>Expenditures:</b>					
General Government Support	3,057,785	3,013,755	3,168,481	3,335,268	3,817,100
Public Safety	5,368,014	5,398,766	5,190,277	5,290,571	5,551,792
Transportation	627,851	616,037	514,983	368,578	299,068
Economic Assistance	560			41,181	47,936
Culture and Recreation	858,619	633,349	573,306	584,105	431,034
Home and Community Services	317,818	435,768	227,312	232,019	346,599
Employee Benefits	3,009,735	3,065,712	3,248,802	3,506,443	4,049,718
Debt Service		125,392	154,101		
<b>Total Expenditures</b>	<u>13,240,382</u>	<u>13,288,779</u>	<u>13,077,262</u>	<u>13,358,165</u>	<u>14,543,247</u>
Excess (Deficit) Revenues Over Expenditures	(1,350,121)	(179,106)	1,170,024	1,128,055	4,062,206
<b>Other Sources &amp; Uses:</b>					
Interfund Transfers In	0	426,091	107,000	620,116	350,691
Interfund Transfers Out	(660,661)	(655,795)	(465,389)	(840,631)	(1,556,559)
<b>Total Other Sources &amp; Uses</b>	<u>(660,661)</u>	<u>(229,704)</u>	<u>(358,389)</u>	<u>(220,515)</u>	<u>(1,205,868)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	(2,010,782)	(408,810)	811,635	907,540	2,856,338
<b>Prior Period Adjustment</b>					
Fund Balance Beginning of Year	<u>3,196,404</u>	<u>1,185,622</u>	<u>776,812</u>	<u>1,588,447</u>	<u>2,495,987</u>
Fund Balance End of Year	<u>\$ 1,185,622</u>	<u>\$ 776,812</u>	<u>\$ 1,588,447</u>	<u>\$ 2,495,987</u>	<u>\$ 5,352,325</u>

Source: Audited Annual Financial Reports of the Town (2009-2013).

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances  
Highway Fund**

	Fiscal Year Ending December 31:				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 2,947,053	\$ 3,033,130	\$ 3,262,027	\$ 3,476,103	\$ 3,605,479
Intergovernmental Charges	13,216	13,513	13,810	13,959	13,959
Use of Money and Property	17,429	12,375	9,022	7,343	6,569
Sale of Property & Compensation for Loss	33,743	50,594	21,760	44,119	42,617
Miscellaneous	10,484	45,290	5,420	61,677	5,680
Interfund Revenues	325,648	350,335	505,625	114,050	140,650
State Aid and Federal Aid	254,381	212,304	164,398	439,301	192,903
<b>Total Revenues</b>	<u>3,601,954</u>	<u>3,717,541</u>	<u>3,982,062</u>	<u>4,156,552</u>	<u>4,007,857</u>
<b>Expenditures:</b>					
Transportation	1,842,962	1,972,256	2,256,988	1,862,053	2,415,411
Employee Benefits	473,347	500,030	812,395	847,201	956,306
Debt Service		3,612	65,359		
<b>Total Expenditures</b>	<u>2,316,309</u>	<u>2,475,898</u>	<u>3,134,742</u>	<u>2,709,254</u>	<u>3,371,717</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	1,285,645	1,241,643	847,320	1,447,298	636,140
<b>Other Sources &amp; Uses:</b>					
Interfund Transfers In			9,600	14,632	270,411
Interfund Transfers Out	<u>(1,038,933)</u>	<u>(852,745)</u>	<u>(848,870)</u>	<u>(923,154)</u>	<u>(1,543,939)</u>
<b>Total Other Sources &amp; Uses</b>	<u>(1,038,933)</u>	<u>(852,745)</u>	<u>(839,270)</u>	<u>(908,522)</u>	<u>(1,273,528)</u>
<b>Excess (Deficiency) of Revenues &amp; Other Sources Over Expenditures &amp; Other Uses</b>	246,712	388,898	8,050	538,776	(637,388)
<b>Prior Period Adjustment</b>					
Fund Balance Beginning of Year	<u>278,904</u>	<u>525,616</u>	<u>914,514</u>	<u>922,564</u>	<u>1,461,340</u>
Fund Balance End of Year	<u>\$ 525,616</u>	<u>\$ 914,514</u>	<u>\$ 922,564</u>	<u>\$ 1,461,340</u>	<u>\$ 823,952</u>

Source: Audited Annual Financial Reports of the Town (2009-2013).

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances  
Sewer Fund**

	Fiscal Year Ending December 31:				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 943,680	\$ 798,335	\$ 653,935	\$ 648,378	\$ 221,273
Real Property Tax Items	8,951	8,610	8,530		
Departmental Income	1,968,274	2,000,598	2,069,989	2,291,004	2,283,881
Intergovernmental Charges	52,059	52,654	53,249	55,777	84,469
Use of Money and Property	27,896	9,279	6,930	5,404	4,638
Miscellaneous	12,022	489	975	15,746	900
Sale of Property & Compensation for Loss	4,238			234,495	100,597
State and Federal Aid				160,619	371,215
<b>Total Revenues</b>	<u>3,017,120</u>	<u>2,869,965</u>	<u>2,793,608</u>	<u>3,411,423</u>	<u>3,066,973</u>
<b>Expenditures:</b>					
Home and Community Services	1,768,957	1,794,769	2,104,589	2,075,489	2,391,610
Debt Service		5,417	5,418		
<b>Total Expenditures</b>	<u>1,768,957</u>	<u>1,800,186</u>	<u>2,110,007</u>	<u>2,075,489</u>	<u>2,391,610</u>
<b>Other Sources &amp; Uses:</b>					
Proceeds of Obligation				425,000	
Interfund Transfers In	119,507	109,776	106,783	109,591	106,337
Interfund Transfers Out	(1,145,867)	(1,045,168)	(921,304)	(950,806)	(611,960)
<b>Total Other Sources &amp; Uses</b>	<u>(1,026,360)</u>	<u>(935,392)</u>	<u>(814,521)</u>	<u>(416,215)</u>	<u>(505,623)</u>
<b>Excess (Deficiency) of Revenues &amp; Other Sources Over Expenditures &amp; Other Uses</b>	221,803	134,387	(130,920)	919,719	169,740
<b>Fund Balance Beginning of Year</b>	<u>2,563,586</u>	<u>2,785,389</u>	<u>2,919,776</u>	<u>2,788,856</u>	<u>3,708,575</u>
<b>Fund Balance End of Year</b>	<u>\$ 2,785,389</u>	<u>\$ 2,919,776</u>	<u>\$ 2,788,856</u>	<u>\$ 3,708,575</u>	<u>\$ 3,878,315</u>

Source: Audited Annual Financial Reports of the Town (2009-2013).

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances  
Water Fund**

	Fiscal Year Ending December 31:				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 842,631	\$ 1,123,765	\$ 1,122,747	\$ 1,115,761	\$ 1,217,160
Departmental Income	3,540,391	3,647,135	4,543,280	5,010,363	5,398,646
Real Property Tax Items		8,446			
Non Property Tax Items			6,452		
Use of Money and Property	28,791	45,906	11,542	4,405	3,691
Sale of Property & Compensation for Loss	65,305		28,774	11,580	18,046
Miscellaneous	9,824	12,959	75,000	61,406	3,423
State and Federal Aid				103,489	72,669
<b>Total Revenues</b>	<u>4,486,942</u>	<u>4,838,211</u>	<u>5,787,795</u>	<u>6,307,004</u>	<u>6,713,635</u>
<b>Expenditures:</b>					
Home and Community Services	3,689,828	3,421,248	5,357,981	4,413,868	4,389,385
Employee Benefits	296,740	375,747	390,342	399,919	418,399
Capital Outlay					
Debt Service		349,489	5,418		
Interfund Transfers					
<b>Total Expenditures</b>	<u>3,986,568</u>	<u>4,146,484</u>	<u>5,753,741</u>	<u>4,813,787</u>	<u>4,807,784</u>
<b>Other Sources &amp; Uses:</b>					
Proceeds of Obligations				575,000	
Interfund Transfers In	912,947	1,237,947	1,264,769	1,215,793	756,715
Interfund Transfers Out	(1,502,610)	(2,141,899)	(2,156,225)	(2,537,267)	(1,585,509)
<b>Total Other Sources &amp; Uses</b>	<u>(589,663)</u>	<u>(903,952)</u>	<u>(891,456)</u>	<u>(746,474)</u>	<u>(828,794)</u>
<b>Excess (Deficiency) of Revenues &amp; Other Sources Over Expenditures &amp; Other Uses</b>	<b>(89,289)</b>	<b>(212,225)</b>	<b>(857,402)</b>	<b>746,743</b>	<b>1,077,057</b>
<b>Prior Period Adjustment</b>					
<b>Fund Balance Beginning of Year</b>	<u>3,988,283</u>	<u>3,898,994</u>	<u>3,686,769</u>	<u>2,829,367</u>	<u>3,576,110</u>
<b>Fund Balance End of Year</b>	<u>\$ 3,898,994</u>	<u>\$ 3,686,769</u>	<u>\$ 2,829,367</u>	<u>\$ 3,576,110</u>	<u>\$ 4,653,167</u>

Source: Audited Annual Financial Reports of the Town (2009-2013).

NOTE: This Schedule NOT audited.

**Statement of Revenues, Expenditures and Fund Balances  
Refuse and Garbage District**

	Fiscal Year Ending December 31:				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 1,394,458	\$ 1,568,422	\$ 1,709,758	\$ 1,767,576	\$ 2,140,877
Departmental Income	216,405	221,925	253,022	243,996	236,556
Use of Money and Property	7,668	5,248	3,628	3,418	3,714
Sale of Property & Compensation for Loss	543	12,265	18,231	3,440	122
Miscellaneous	2,799	1,944	1,113	4,403	1,555
State and Federal Aid				18,561	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>1,621,873</u>	<u>1,809,804</u>	<u>1,985,752</u>	<u>2,041,394</u>	<u>2,382,824</u>
<b>Expenditures:</b>					
General Government Support				2,432	
Health					369,697
Home and Community Services	1,237,961	1,335,184	1,356,363	1,274,734	1,515,148
Employee Benefits	322,483	327,454	438,258	458,926	519,325
Debt Service		3,612	30,678		
Operating Transfers				30,678	135,195
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>1,560,444</u>	<u>1,666,250</u>	<u>1,825,299</u>	<u>1,766,770</u>	<u>2,539,365</u>
Excess (Deficiency) of Revenues over Expenditures	61,429	143,554	160,453	274,624	(156,541)
Prior Period Adjustment					193,247
Fund Balance Beginning of Year	<u>266,406</u>	<u>327,835</u>	<u>471,389</u>	<u>631,842</u>	<u>906,466</u>
Fund Balance End of Year	<u>\$ 327,835</u>	<u>\$ 471,389</u>	<u>\$ 631,842</u>	<u>\$ 906,466</u>	<u>\$ 943,172</u>

Source: Audited Annual Financial Reports of the Town (2009-2013).

NOTE: This Schedule NOT audited.

## Budget Summaries - Fiscal Year Ending December 31, 2013

	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Water</u>	<u>Refuse</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 6,664,935	\$ 3,605,479	\$ 0	\$ 0	\$ 1,764,977
Real Property Tax Items	246,100	0	0	0	0
Non-Property Taxes	4,103,000	0	0	0	0
Departmental Income	700,200	14,000	2,284,018	4,714,464	0
Use of Money and Property	293,500	8,000	5,000	0	8,000
Licenses & Permits	99,800	0	0	0	0
Fines & Forfeitures	960,000	0	0	0	0
Sale of Property & Compensation for Loss	257,000	11,000	0	0	1,000
Miscellaneous	13,500	100,000	56,000	0	235,000
Interfund Items	340,000	60,000	0	1,108,553	0
State Aid	672,200	157,000	0	0	0
Interfund Transfers	353,500	21,400	106,337	0	0
Appropriated Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 14,703,735</u>	<u>\$ 3,976,879</u>	<u>\$ 2,451,355</u>	<u>\$ 5,823,017</u>	<u>\$ 2,008,977</u>
<b>Expenditures:</b>					
General Government Support	\$ 3,516,500	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	5,436,600	0	0	0	0
Transportation	287,400	2,102,500	0	0	0
Health	0	0	0	0	0
Economic Assistance	61,800	0	0	0	0
Culture and Recreation	400,900	0	0	0	0
Home and Community Services	514,500	0	2,093,200	4,039,800	1,435,700
Employee Benefits	3,970,100	950,400	0	428,600	542,600
Debt Service	515,935	923,979	196,755	640,379	30,677
Interfund Transfers	<u>0</u>	<u>0</u>	<u>161,400</u>	<u>714,238</u>	<u>0</u>
Total Expenditures	<u>\$ 14,703,735</u>	<u>\$ 3,976,879</u>	<u>\$ 2,451,355</u>	<u>\$ 5,823,017</u>	<u>\$ 2,008,977</u>

Source: 2013 Budget Adopted by the Town Board.

**Budget Summaries - Fiscal Year Ending December 31, 2014**

	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Water</u>	<u>Refuse</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 6,662,441	\$ 3,611,093	\$	\$	\$ 1,761,432
Real Property Tax Items	254,300				
Non-Property Taxes	4,338,000				
Departmental Income	724,800	14,000	2,340,118	5,374,837	
Use of Money and Property	523,800	7,500	5,000		6,000
Licenses & Permits	121,000				
Fines & Forfeitures	950,000				
Sale of Property & Compensation for Loss	56,000	28,800		11,000	1,000
Miscellaneous	313,100				335,000
Interfund Items	340,000	110,000		1,136,983	
State Aid	657,000	157,000			
Interfund Transfers	464,700	18,900	104,640		
Appropriated Fund Balance	<u>                    </u>				
<b>Total Revenues</b>	<b>\$ <u>15,405,141</u></b>	<b>\$ <u>3,947,293</u></b>	<b>\$ <u>2,449,758</u></b>	<b>\$ <u>6,522,820</u></b>	<b>\$ <u>2,103,432</u></b>
<b>Expenditures:</b>					
General Government Support	\$ 3,631,790	\$	\$	\$	\$
Public Safety	5,674,800				
Transportation	310,000	2,270,700			
Health					
Economic Assistance	43,900				
Culture and Recreation	508,300				
Home and Community Services	431,200		2,089,600	4,709,400	1,363,700
Employee Benefits	4,386,410	980,900		453,100	603,200
Debt Service	418,741	695,693	193,413	607,614	136,532
Interfund Transfers	<u>                    </u>	<u>                    </u>	<u>166,745</u>	<u>752,706</u>	<u>                    </u>
<b>Total Expenditures</b>	<b>\$ <u>15,405,141</u></b>	<b>\$ <u>3,947,293</u></b>	<b>\$ <u>2,449,758</u></b>	<b>\$ <u>6,522,820</u></b>	<b>\$ <u>2,103,432</u></b>

Source: 2014 Budget Adopted by the Town Board.

## Tax Levy and Collection Record

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Town Tax	\$ 5,326,714	\$ 6,282,171	\$ 6,417,424	\$ 6,700,566	\$ 6,665,155
Highway Tax	3,031,997	3,284,502	3,515,816	3,624,923	3,612,942
Special Districts:					
Water Districts	1,124,103	1,130,098	1,127,554	1,220,721	1,179,473
Sewer Districts	798,568	653,938	653,426	221,351	225,121
Ambulance and BDL Districts	367,449	438,556	447,988	471,137	572,631
Garbage Districts	1,568,589	1,718,675	1,770,687	1,766,799	1,761,432
Fire Districts	1,984,356	2,004,524	2,035,534	2,062,187	2,116,223
County and State Taxes	7,602,282	6,646,642	7,029,877	7,163,705	7,414,414
Reassessed					
School District Taxes	1,264,903	880,134	1,265,334	909,308	814,425
Relevied Items	489,359	517,937	682,966	817,784	887,677
Omitted Tax Total	9,360	8,786	16,833	12,664	33,335
Total Tax Levy	<u>23,567,680</u>	<u>23,565,963</u>	<u>24,963,439</u>	<u>24,971,145</u>	<u>25,282,828</u>
Adjustments	0	0	186,087	83,967	32,452
Net Tax Levy	<u>\$ 23,567,680</u>	<u>\$ 23,565,963</u>	<u>\$ 25,149,526</u>	<u>\$ 25,055,112</u>	<u>\$ 25,315,280</u>
Amount Collected:	\$ 22,418,138	\$ 20,991,119	\$ 21,851,082	\$ 22,388,015	\$ 22,572,474
Retained by Town	\$ 14,630,390	\$ 15,875,333	\$ 16,403,020	\$ 16,715,511	\$ 16,835,309
Balance to County	\$ 6,149,542	\$ 5,114,865	\$ 5,446,853	\$ 5,672,656	\$ 5,737,331

### Tax Rates Per \$1,000 of Assessed Valuation (\$)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
County and State	20.49	17.91	18.98	19.51	20.09
General Town and Highway	21.99	25.16	26.16	27.42	27.16
Water Districts	Var	Var	Var	Var	Var
Sewer Districts	Var	Var	Var	Var	Var
New Windsor Garbage	10.36	11.46	11.81	11.80	11.76
Quassaick Fire District	11.27	11.25	11.36	11.45	11.42
Rural Fire District	N/A	N/A	N/A	N/A	N/A
Salisbury Mills Fire District	7.01	6.74	6.91	7.10	7.40
Vails Gate Fire District	3.24	3.33	3.39	3.47	3.59
New Windsor Ambulance	0.77	0.93	0.93	0.94	0.93

**TOWN OF NEW WINDSOR**

**APPENDIX B**

**AUDITED FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2013**