

**NEW AND RENEWAL ISSUES**  
**S&P INSURED BOND RATING: “AA” STABLE OUTLOOK**

**SERIAL BONDS AND BOND ANTICIPATION NOTES**

*In the opinion of Rodenhause Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel to the City, under existing statutes and court decisions, and assuming continuing compliance with certain tax certifications referred to herein, interest on the Bonds and Notes is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and such interest will not be treated as a preference item in calculating the Federal alternative minimum tax that may be imposed on individuals under the Code; however, interest on the Notes and Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. It is also the opinion of Bond Counsel that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See “TAX MATTERS” herein.*

*The Bonds and Notes will not be designated as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.*



**\$7,023,949**  
**CITY OF POUGHKEEPSIE**  
**DUTCHESS COUNTY, NEW YORK**  
**GENERAL OBLIGATIONS**

**\$972,571 Public Improvement (Serial) Bonds, Series 2025**  
 (the “Bonds”)

**CUSIP BASE: 738629**



**Dated: April 24, 2025**

**Due: April 15, 2026-2035**

**MATURITIES\***

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2026	\$ 62,571	4.500%	4.000%	6T6	2031	\$100,000	4.500%	3.850%	6Y5
2027	85,000	4.500	3.750	6U3	2032	105,000	4.500	3.920	6Z2
2028	90,000	4.500	3.700	6V1	2033	110,000	4.500	4.000	7A6
2029	95,000	4.500	3.700	6W9	2034	115,000**	4.500	4.100	7B4
2030	95,000	4.500	3.750	6X7	2035	115,000**	4.500	4.250	7C2

\* The scheduled payment of principal of and interest on the Bonds will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”). (See APPENDIX-H – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.)



\*\* The Bonds maturing in the years 2034 and 2035 are subject to redemption prior to maturity. See “DESCRIPTION OF THE BONDS - Optional Redemption” herein.

**AND**

**\$6,051,378 Bond Anticipation Notes, Series 2025**  
 (the “Notes”)



**At an Interest Rate of 4.750% to Yield 4.550%**  
**CUSIP: 738629 7D0**

**Dated: April 24, 2025**

**Due: April 24, 2026**

**(collectively referred to herein as the “Bonds and Notes”)**

The Bonds and Notes are general obligations of the City of Poughkeepsie, Dutchess County, New York (the “City”) all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See “TAX INFORMATION – Tax Levy Limitation Law” and “NATURE OF OBLIGATION” herein.

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination with respect to the April 15, 2026 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on April 15 and October 15 in each year until maturity commencing April 15, 2026. Principal and interest will be paid by the City to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof except for a necessary odd denomination. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds maturing on or after April 15, 2034 will be subject to redemption on or after April 15, 2033 as provided herein. The Notes will not be subject to redemption prior to maturity.

The Bonds and Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the respective approving legal opinions as to the validity of the Bonds and Notes of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about April 24, 2025.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "APPENDIX – H - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE CITY DATED APRIL 3, 2025 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER, THE REVISION OF THE "STATUS OF INDEBTEDNESS – CAPITAL PROJECT PLANS" SECTION, THE REVISION OF THE "RATINGS" SECTION, THE DATED DATE ON PAGE 39, AND THE INCLUSION OF "APPENDIX-H", THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

**CITY OF POUGHKEEPSIE  
DUTCHESS COUNTY, NEW YORK**



**CITY OFFICIALS**

YVONNE FLOWERS  
Mayor

**COMMON COUNCIL**

DA'RON WILSON, Councilmember At-Large  
ERNEST HENRY, Ward 1  
EVAN MENIST, Ward 2  
TERRICIENA BROWN, Ward 3  
NATHAN SHOOK, Ward 4

ONDIE JAMES, Ward 5  
CHRISTOPHER GRANT, Ward 6  
NEDRA PATTERSON THOMPSON, Ward 7  
SAKIMA MCCLINTON, Ward 8

\* \* \* \* \*

JOSEPH DONAT  
City Administrator

JOSEPH VITA  
Commissioner of Finance

REBECCA A. VALK, ESQ.  
Corporation Counsel

**MUNICIPAL ADVISOR**



Fiscal Advisors & Marketing, Inc.  
250 South Clinton Street, Suite 502  
Syracuse, New York 13202  
(315) 752-0051

**BOND COUNSEL**

Rodenhausen Chale & Polidoro LLP  
55 Chestnut Street  
Rhinebeck, New York 12572  
(845) 516-4323

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

**TABLE OF CONTENTS**

	<u>Page</u>		<u>Page</u>
<b>THE BONDS</b> .....	<b>1</b>	<b>STATUS OF INDEBTEDNESS (CONTINUED)</b>	
Description of the Bonds .....	1	Cash Flow Borrowings .....	26
Optional Redemption .....	2	Capital Leases .....	26
Purpose of Issue – Bonds .....	2	Capital Project Plans .....	27
<b>THE NOTES</b> .....	<b>2</b>	Estimated Overlapping Indebtedness .....	28
Description of the Notes .....	2	Debt Ratios .....	28
No Optional Redemption .....	2		
Purpose of Issue .....	3	<b>SPECIAL PROVISIONS AFFECTING</b>	
<b>NATURE OF OBLIGATION</b> .....	<b>3</b>	<b>REMEDIES UPON DEFAULT</b> .....	<b>29</b>
<b>BOOK ENTRY ONLY SYSTEM</b> .....	<b>4</b>	<b>MARKET AND RISK FACTORS</b> .....	<b>32</b>
Certificated Bonds .....	5	Other Risk Factors .....	32
Certificated Notes .....	5	<b>CONTINUING DISCLOSURE</b> .....	<b>33</b>
<b>THE CITY</b> .....	<b>6</b>	Historical Continuing Disclosure Compliance History .....	33
General Information .....	6	<b>TAX MATTERS</b> .....	<b>34</b>
Population Trends .....	5	<b>LEGAL MATTERS</b> .....	<b>36</b>
Form of Government .....	6	<b>LITIGATION</b> .....	<b>36</b>
Services .....	7	Litigation and Claims .....	36
Employees .....	7	<b>RATINGS</b> .....	<b>37</b>
Other Information .....	7	<b>MUNICIPAL ADVISOR</b> .....	<b>38</b>
<b>ECONOMIC DATA</b> .....	<b>8</b>	<b>CUSIP IDENTIFICATION NUMBERS</b> .....	<b>38</b>
Major Employers .....	8	<b>MISCELLANEOUS</b> .....	<b>38</b>
Selected Wealth and Income Indicators .....	8		
Unemployment Rate Statistics .....	9	<b>APPENDIX – A</b>	
Economic Development .....	9	<b>GENERAL FUND – Balance Sheets</b>	
Education .....	10	<b>APPENDIX – A1</b>	
Financial Institutions .....	10	<b>GENERAL FUND – Revenues, Expenditures and</b>	
Transportation .....	10	<b>Changes in Fund Balance</b>	
Utilities .....	11	<b>APPENDIX – A2</b>	
Communications .....	11	<b>GENERAL FUND – Revenues, Expenditures and</b>	
Medical Services .....	11	<b>Changes in Fund Balance – Budget and Actual</b>	
<b>FINANCIAL MATTERS</b> .....	<b>11</b>	<b>APPENDIX – B</b>	
Financial Organization .....	11	<b>BONDED DEBT SERVICE</b>	
Budgetary Procedures .....	11	<b>APPENDIX – C</b>	
The Financial Restructuring Board .....	11	<b>UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE</b>	
Investment Policy .....	12	<b>WITH RESPECT TO THE BONDS</b>	
Revenues .....	12	<b>APPENDIX – D</b>	
State Aid .....	13	<b>UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE</b>	
Sales Tax .....	14	<b>WITH RESPECT TO THE NOTES</b>	
Expenditures .....	14	<b>APPENDIX – E</b>	
Financial Statements .....	15	<b>FORM OF BOND COUNSEL’S OPINION – THE BONDS</b>	
Pension Payments .....	16	<b>APPENDIX – F</b>	
Other Post-Employment Benefits .....	18	<b>FORM OF BOND COUNSEL’S OPINION – THE NOTES</b>	
The State Comptroller’s Fiscal Stress Monitoring System .....	19	<b>APPENDIX – G</b>	
New York State Comptroller Reports of Examination .....	20	<b>AUDITED FINANCIAL STATEMENTS FOR</b>	
<b>TAX INFORMATION</b> .....	<b>20</b>	<b>DECEMBER 31, 2023</b>	
Assessment Procedure .....	20	<b>APPENDIX – H</b>	
Valuations .....	21	<b>BOND INSURANCE AND SPECIMEN MUNICIPAL BOND</b>	
Tax Rates Per \$1,000 (Assessed) .....	21	<b>INSURANCE POLICY</b>	
Taxing Authority .....	21		
Tax Collection Procedure .....	22		
Tax Levy and Collection Record .....	22		
Largest Taxpayers – 2024 Assessment Roll for 2025 Tax Roll .....	23		
Tax Levy Limitation Law .....	23		
<b>STATUS OF INDEBTEDNESS</b> .....	<b>24</b>		
Constitutional Requirements .....	24		
Statutory Procedure .....	24		
Debt Outstanding End of Fiscal Year .....	25		
Details of Outstanding Indebtedness .....	25		
Debt Statement Summary .....	26		
Bonded Debt Service .....	26		

PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**OF THE**  
**CITY OF POUGHKEEPSIE**  
**DUTCHESS COUNTY, NEW YORK**

**RELATING TO**  
**\$972,571 Public Improvement (Serial) Bonds, Series 2025**  
**and**  
**\$6,051,378 Bond Anticipation Notes, Series 2025**

This Official Statement, which includes the cover page, has been prepared by the City of Poughkeepsie, Dutchess County, New York (the “City,” “County,” and “State,” respectively) in connection with the sale by the City of \$972,571 Public Improvement (Serial) Bonds, Series 2025 (the “Bonds”) and \$6,051,378 Bond Anticipation Notes, Series 2025 (the “Notes”).

The factors affecting the City’s financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

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

**THE BONDS**

**Description of the Bonds**

The Bonds are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See “NATURE OF OBLIGATION” and “TAX INFORMATION – Tax Levy Limitation Law” herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts and on the dates as set forth on the cover page. Interest on the Bonds will be payable semi-annually on April 15 and October 15 in each year until maturity commencing April 15, 2026. The Bonds are subject to redemption prior to maturity as described herein under the heading “Optional Redemption.” The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof except for one necessary odd denomination respect to the April 15, 2026 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the City to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

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## Optional Redemption

The Bonds maturing on or before April 15, 2033 shall not be subject to redemption prior to maturity. The Bonds maturing on or after April 15, 2034 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the City on April 15, 2033 or on any payment date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the Commissioner of Finance. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

## Purpose of Issue – Bonds

The Bonds are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law, the City Charter, and various bond resolutions to provide funds for the following purposes and in the following amounts:

<u>Purpose</u>	<u>Amount</u>		<u>Total</u>
	<u>Outstanding</u>	<u>Paydown</u>	<u>Amount of Bonds</u>
FINANCIAL PLAZA DECK	\$ 63,513	\$ 10,000	\$ 53,513
SANITATION TRUCK	146,056	15,000	131,056
WEIGH SCALE: HOWARD ST. TRANSFER STATION	39,568	7,000	32,568
FIRE TRUCKS (PUMPER AND LADDER)	385,512	41,000	344,512
SANITATION VEHICLE AND EJECTOR TRAILER	203,106	15,000	188,106
SANITATION TRUCK & EJECTOR TRAILER	24,686	5,000	19,686
STREET SWEEPER	223,130	20,000	203,130
	<u>\$ 1,085,571</u>	<u>\$ 113,000</u>	<u>\$ 972,571</u>

The proceeds of the Bonds, along with \$113,000 available City funds, will permanently finance \$1,085,571 of the \$2,949,949 bond anticipation notes maturing on April 25, 2025 for the aforementioned purposes.

## THE NOTES

### Description of the Notes

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

The Notes are dated April 24, 2025 and will mature, without option of prior redemption, on April 24, 2026. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

**Purpose of Issue - Notes**

The Notes are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law, the City Charter, and various bond resolutions to provide funds for the following purposes and in the following amounts:

<u>Purpose</u>	<u>Amount</u>			<u>Total</u>
	<u>Outstanding</u>	<u>Paydown</u>	<u>New Money</u>	<u>Amount of Notes</u>
TAYLOR AVE REPAIR	\$ 88,939	\$ 20,000	\$ -	\$ 68,939
CLOVER STREET FIRE STATION ROOF	58,698	10,000	-	48,698
WASHINGTON & GARDEN ST. BRIDGES	854,844	39,000	2,240,000	3,055,844
MANSION STREET BRIDGE	361,841	15,000	-	346,841
PARK IMPROVEMENTS	307,232	20,000	-	287,232
CITY HALL PARKING GARAGE PROJECT	133,735	16,000	-	117,735
CITY HALL CAMERAS/COMPUTERS	59,089	30,000	-	29,089
DPW VEHICLES	-	-	1,989,000	1,989,000
JOINT WATER TRACTOR	-	-	108,000	108,000
	<u>\$ 1,864,378</u>	<u>\$ 150,000</u>	<u>\$ 4,337,000</u>	<u>\$ 6,051,378</u>

The proceeds of the Notes, along with \$150,000 available City funds, will partially redeem and renew \$1,864,378 of the \$2,949,949 bond anticipation notes maturing on April 25, 2025 and provide \$4,337,000 new monies for the aforementioned purposes.

**NATURE OF OBLIGATION**

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

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

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

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

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

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## BOOK-ENTRY-ONLY SYSTEM

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

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

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



The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

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

Source: The Depository Trust Company.

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

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

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

### **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply. The Bonds will be issued in fully registered form in denominations of \$5,000 or multiples thereafter, except for one odd denomination maturing in 2026. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the City upon termination of the book-entry-only system. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the City Commissioner authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

### **Certificated Notes**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Notes will be issued in fully registered form in denominations of \$5,000 and multiples thereafter except for one necessary odd denomination. Interest on the Notes will remain payable at maturity. Principal of and interest on the Notes will be payable at a bank or trust company located and authorized to do business in the State as fiscal agent to be named by the City.

## THE CITY

### General Information

The City is situated in the west central area of Dutchess County along the banks of the Hudson River, approximately 70 miles north of New York City. The City encompasses a land area of 4.9 square miles and is diverse in its makeup. The City serves as the County seat and as such is a financial and commercial center for the County.

The City's economy is dominated by the service sector. In addition to government, health, finance and law account for a significant number of jobs in the City. Substantially all of the County offices are situated in the City including the courts and jail. Vassar Brothers Hospital, which recently completed a major expansion of its facilities (estimated at a cost of more than \$500 million), is the largest private sector employer in the City with approximately 1,746 employees.

Source: City officials

### Population Trends

	<u>City of Poughkeepsie</u>	<u>Dutchess County</u>	<u>New York State</u>
1980	29,257	245,055	17,558,072
1990	28,844	259,462	17,990,455
2000	29,871	280,150	18,976,457
2010	32,736	297,488	19,378,102
2020	31,577	295,911	20,201,249
2023 (estimate)	31,772	297,150	19,571,216

Source: U.S. Census Bureau.

### Form of Government

The City was incorporated in 1854 with the powers and responsibilities inherent in the operation of a municipal government including independent taxing and debt authority. Subject to the provisions of the State Constitution, the City operates in accordance with its charter as well as with various other statutes including General City Law, General Municipal Law, the Local Finance Law and the Real Property Tax Law, to the extent that these statutes apply to a city operating with a charter. Pursuant to a charter amendment approved by the voters in November 1994, the City implemented a mayor/administrator form of government in 1996.

Charter Review Commission. During 2015, a Charter Review Commission was established to study, review and recommend changes to the City's Charter and Administrative Code. The Commission was composed of a total of nine members appointed by the Mayor in consultation with the Common Council. Subsequent to its review, the Commission unanimously approved placing a proposal on the 2016 ballot for the consideration of City voters. On November 8, 2016, City voters approved the proposition which took effect on January 1, 2018.

Material revisions to the City Charter included the addition of a City-wide elected "At Large" Council Member, a full-time status for the Mayor, the establishment of residency requirements for key officials and increased reporting to the Common Council. Additional details can be obtained by contacting the City's Commissioner of Finance.

Common Council. The Common Council is the legislative body of the City currently consisting of eight members who represent each of the City's eight wards and a ninth City-wide elected "At Large" member, who also serves as the Chair of the Council. Members are elected to two-year terms of office and may serve no more than eight consecutive years.

Mayor. The Mayor is the Chief Executive Officer of the City and is elected at a general election for a four-year term. The Mayor may serve no more than eight consecutive years and, effective as of the commencement of the new term in January 2020, the position is a full-time equivalent (see "Charter Review Commission," above). The current Mayor took office on January 3, 2024 after winning the 2023 general election.

City Administrator. The City Administrator (the "Administrator"), who is appointed by and serves at the pleasure of the Mayor with the concurrence of the Common Council, is the Chief Administrative Officer of the City and is responsible for overseeing the day-to-day operations of the City. The Administrator assists the Mayor and Council in reviewing and developing policy recommendations. In addition, the Administrator assists with the development of the annual operating budget and the

City’s five-year capital plan. The Administrator supervises all department heads in the city government except the City Chamberlain and the Corporation Counsel who are mayoral appointees.

Commissioner of Finance. The Commissioner of Finance is appointed by the Administrator and is the Chief Fiscal Officer of the City. Duties of this office include the custody of all City funds, tax collection and enforcement, maintaining accounting records and preparing financial statements and reports. Budgetary control is the joint responsibility of the Administrator and Commissioner of Finance. Pursuant to the City Charter and, as provided in the Local Finance Law, the Commissioner of Finance coordinates the issuance of all City indebtedness. In absence of the Commissioner of Finance, the Deputy Commissioner of Finance assumes responsibility as the Acting Commissioner of Finance.

**Services**

As of the date of this Official Statement, the City provides the following services: police, fire, solid waste collection, sanitary sewer, water services (as provided by the City and Town of Poughkeepsie Joint Water Board through an intermunicipal agreement), parking garages and lots, street maintenance and various park and recreational facilities including two public golf courses. Pursuant to State law, the County provides health and social services. In addition, on July 1, 2017, the City’s bus system was consolidated with Dutchess County Transit. As of this date, bus services are provided by the County.

Education is provided by the Poughkeepsie City School District (the “School District”) which is coterminous with the City. The School District has a separately elected governing body and has independent taxing and debt powers. The County sponsors a two-year college offering associates degrees in various fields of study.

The Poughkeepsie Public Library District (the “Library District”) operates library facilities in the City and Town of Poughkeepsie pursuant to State legislation. From time-to-time voters of the Library District authorize capital projects which are required to be financed by the issuance of serial bonds by the City and Town of Poughkeepsie. The City issued \$6,049,852 serial bonds on behalf of the Library District on April 23, 2009, which bonds were currently refunded by a portion of the City’s Public Improvement Refunding Bonds, Series 2021 issued April 16, 2021, and on April 21, 2014, the City issued \$2,852,870 in serial bonds on behalf of the Library District. Debt service on Library District obligations will be reimbursed by the Library District, pursuant to its taxing authority. The tax levied by the Library District is collected with the City’s tax bills.

**Employees**

The City provides services through approximately 325 full-time employees. The bargaining units, approximate number of members, and contract expiration dates are as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
112	Civil Service Employees Association	12/31/2024
88	Police Benevolent Association	12/31/2024
18	Federation of Police (Joint Water Facility Employees) <sup>(1)</sup>	12/31/2025
63	International Association of Firefighters	12/31/2026

<sup>(1)</sup> Represents various employees of the joint water facility.

Note: All contracts are under negotiation or have been finalized and are awaiting final signatures, all are expected to be finalized with new contracts in 2025.

**Other Information**

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes for which the Bonds and Notes are to be issued, is the General City Law and the Local Finance Law.

No principal or interest upon any obligation of this City is past due. On March 1, 2019, an interest payment for the City’s \$4,630,000 Public Improvement (Serial) Bonds, Series 2005A was due to be paid to DTC, however, due to a clerical error the City did not make the payment until March 4, 2019, which was three days late. On August 1, 2016 the City made a late interest payment on a series of outstanding bonds. The late payments were due to an administrative oversight, and not a result of insufficient funds being available.

The fiscal year of the City is the calendar year.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

**ECONOMIC DATA**

**Major Employers**

Some of the major employers located within the City or the County are as follows:

<u>Name</u>	<u>Industry or Business</u>	<u>Estimated Number of Employees</u>
NuVance Health (including Vassar Hospital)	Hospital & Medical Clinics	5,600
International Business Machine Corp.	Technology	4,100
GlobalFoundries	Manufacturing	2,500
Vassar College	College	1,921
Mid-Hudson Regional Hospital	Hospital	1,800
Culinary Institute of America	College	1,500
Gap Inc.	Warehousing/Distribution	1,500
Bard College	College	1,326
Gap Inc.	Warehousing/Distribution	1,300
Marist College	College	1,211
Central Hudson Gas & Electric Corp.	Electric Services	1,130

Source: City officials.

**Selected Wealth and Income Indicators**

Per capita income statistics are available for the City, County and State, and are listed below.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2000</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2000</u>	<u>2019-2023</u>
City of:						
Poughkeepsie	\$ 23,192	\$ 39,722	\$ 43,459	\$ 46,105	\$ 64,228	\$ 72,796
County of:						
Dutchess	31,642	42,309	51,784	83,599	103,200	122,611
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

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**Unemployment Rate Statistics**

The information set forth below with respect to the City, the County and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the City, or vice versa.

	<u>Annual Average</u>							
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of Poughkeepsie	5.3%	4.7%	4.5%	10.5%	6.6%	4.4%	4.6%	4.0%
Dutchess County	4.3%	3.7%	3.4%	7.3%	4.5%	3.1%	3.3%	3.2%
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
City of Poughkeepsie	4.3%	4.2%	N/A	N/A
Dutchess County	3.6%	3.8%	N/A	N/A
New York State	4.6%	4.3%	N/A	N/A

Note: Unemployment figures for the months of March and April 2025 are not available as of the date of this Official Statement.

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

**Economic Development**

The City has long been the economic center of Dutchess County. Job composition in the city mirrors sectoral strengths found in the region. According to the American Community Survey 5-year estimate, roughly 31 percent of jobs in the city fall within healthcare and education, 14 percent in Arts, entertainment, and recreation, and accommodation and food services, 12 percent in public administration and government positions, and the remaining 57 percent in other industries. The City has a high level of development interest that will expand the City’s commercial and residential tax base.

Recent projects in the City include:

- At the northern end of the waterfront, One Dutchess Avenue under construction is a \$65M mixed- use development with 300 market rate housing units on an 11-acre former brownfield site. The first phase of construction, including 139 housing units was completed in the fall of 2019 and is fully leased, with the next phase of development was completed in 2022.
- Crannell Square completed in 2022 is a \$22M project that offers 75- mixed-income housing units that revitalize a former City-owned and underutilized surface parking lot in the Downtown. The development began leasing in summer of 2022.
- Fallkill Commons on Rose offers 78 supportive housing units near the City’s core commercial district. The project was completed in 2020.
- The Academy, an adaptive re-use of a long-vacant downtown structure at 33-35 Academy Street brought 28 mixed-income apartment units and nearly 24,000 square feet of commercial space, featuring event space, pop-up cafe and restaurants, and co-working space to the Poughkeepsie downtown.
- 160 Union Street is a long-vacant former school building that has been completely rehabilitated for new life as 41 market rate residential units which are currently leasing.
- North Pointe Center, a recently completed and fully occupied new construction project, includes 18 market rate residential units and 12,000 sf of commercial and office space.
- 289 Main Street is a once vacant building that has been redeveloped into a downtown anchor. A third story was added to the building, along with six residential apartments and an eclectic mix of new downtown businesses, including a professional videography studio, a kombucha maker, and architecture firm MASS Design’s new headquarters.

A Downtown Business Improvement District, or BID, has been approved in parts of Main Street and neighboring streets where property owners are charged a special assessment to help promote and improve the business landscape.

The City is moving forward on several transformative projects that will benefit the community as a whole.

The City is primed for investment, with a vision of mixed-use developments, interconnected open spaces and neighborhoods designed with pedestrian-friendly features in all the places considered vital for Poughkeepsie's rejuvenation: the historic Central Business District (CBD), the Hudson River waterfront, and the Fall Kill area.

The nearly 10 blocks of Main Street corridor host an array of businesses, offices, and services that have opened their doors and brought new life to downtown Poughkeepsie. Several businesses have opened along Academy and Cannon Streets in recent years, including a cafe, wine bar, pizza place, brewery, and event space. Additional projects will bring more vitality to this growing area of downtown.

The Riversong project at 47 Cannon Street repurposes the former vacant Dutchess County Board of Elections building into an eight-story mixed-use community development, which will improve Cannon street's urban vibrancy, provide new economic opportunities, and continue the revitalization of Downtown Poughkeepsie.

The Mosaic project at 34 Cannon Street showcases a forward-thinking approach to urban development, replacing a dilapidated structure with a contemporary, state-of-the-art mixed use apartment building with 40 residential units and ground floor commercial space.

Scenic Hudson's Northside Hub, the Hudson Valley's largest environmental organization, is undertaking a major adaptive reuse project in Poughkeepsie's Northside. Scenic Hudson will transform the derelict former Standard Gage plant into the Northside Hub Park, Scenic Hudson's offices, multipurpose community space, pavilion, and tenant space.

27 High Street Lofts (The Lofts) is an innovative mixed-income, adaptive reuse, and new construction artist housing development. The Lofts will consist of the adaptive reuse of one existing building, as well as a new construction component which will connect to the existing building.

Revamping the parks and enhancing public greenspaces has restored vibrancy that both Poughkeepsie residents and visitors can enjoy. Malcolm X Park, for instance, had suffered from years of decay, but in 2020, the City committed to revitalizing the recreation area by partnering with New City Parks and Scenic Hudson. The park reopened this year. The ongoing work at Pulaski Park will add to other recent improvements, such as the addition of soccer pitches last year. The Pulaski Park pool house was completed in spring 2024 and will be followed by the reconstruction of the Spratt pool house in coming years.

On March 11, 2025, Governor Hochul announced the City will receive \$10 million in funding through the Downtown Revitalization Initiative ("DRI"). The DRI grant will be used to fund projects in the City's downtown commercial corridor.

## **Education**

Elementary and secondary education is provided by the Poughkeepsie City School District. Dutchess County Community College, a two-year co-educational college, offers four main programs of study leading to associate degrees in the arts, science, applied science as well as one year certificates of study. In addition, there are three four-year colleges located in the County. These institutions are Marist College and Vassar College in the Town of Poughkeepsie and Bard College in Red Hook. The Culinary Institute of America, in Hyde Park, is a world renowned school offering associates and Bachelors degrees in the culinary arts.

## **Financial Institutions**

The City is the financial and banking center for the County. There are seven banks within the City limits. These banks include: JPMorgan Chase, Key Bank, M&T Bank, Rhinebeck Bank, Riverside Bank, and TD Bank, N.A. In addition, Ulster Savings Bank has offices in the City.

## **Transportation**

The City is served by a transportation network consisting of all major forms of transportation. Several primary State and U.S. highways including U.S. Route 9 and 44 and State Route 55 run through the City. In addition, the Taconic State Parkway (restricted to passenger vehicles) and the State Thruway are approximately 15 minutes from the City. The Metro North Railroad provides commuter passenger rail services to New York City, Amtrak provides passenger service throughout the United States and freight service is the responsibility of CSX. A Metro North train station in the City, is located five blocks from the downtown and is served by the County's bus system. Air transportation is available at the County airport as well as Stewart Airport in Newburgh. The three major New York metro area airports (Kennedy, LaGuardia and Newark) may be reached in approximately two hours by automobile. Residents are also served by a County bus system.

## **Utilities**

Electricity and natural gas are supplied throughout the City by CH Energy Group (headquartered in the City). Verizon provides various communication services to City residents and business.

Municipal water and sewer is provided throughout the City. The City's source of water is the Hudson River. The water supply is treated at a plant operated by the City under joint ownership with the Town of Poughkeepsie. The City owns and operates a sewage treatment plant, 35% of the capacity of which has been purchased by the Town.

The City's Transfer Station had a major fire in November 2022. A settlement is pending for an insurance claim by the City in the amount of ~\$109K.

## **Communications**

The City is served by the New York metropolitan newspapers, radio and television stations. In addition, the City has a daily newspaper entitled the Poughkeepsie Journal (circulation of approximately 24,628). There are also a number of local radio stations that serve the City providing local news and current events. Spectrum and Verizon provide cable and internet service in the City.

## **Medical Services**

Hospital services are provided to residents of the City by Vassar Brothers Hospital, which is located in the City, and the Mid-Hudson Regional Hospital of Westchester Medical Center (formally St Francis Hospital), which is located just over the City line in the Town of Poughkeepsie. Ambulatory patients may receive services and treatment at the various health facilities located adjacent to the two hospitals. Vassar Brothers Medical Center (VBMC) substantially completed and welcomed new patients in 2020 to a \$550 million expansion, which includes construction of a new eight-story 750,000 square foot patient pavilion.

# **FINANCIAL MATTERS**

## **Financial Organization**

The Common Council approves by resolution all legislation including ordinances and local laws, adopts and modifies, as required, operating and capital budgets, levies real property taxes and authorizes the issuance of all indebtedness.

The Mayor has the power to approve or veto legislation adopted by the Common Council; however, since the recent Charter change and addition of a ninth Council member elected at-large, the Mayor no longer has the tie-breaking vote on the Common Council. Under the Charter, the Mayor is designated as the City's budget officer responsible for preparing annual operating budgets and the capital improvement program. Pursuant to the City Charter, the Mayor's proposed annual budget must be submitted to the Common Council on or before October 15<sup>th</sup>.

The duties of the Commissioner of Finance include the custody of all City funds, tax collection and enforcement, maintaining accounting records and preparing financial statements and reports. Budgetary control is the joint responsibility of the City Administrator and Commissioner of Finance. Pursuant to the City Charter and, as provided in the Local Finance Law, the Commissioner of Finance coordinates the issuance of all City indebtedness. In the absence of the Commissioner of Finance such duties are the responsibility of the Deputy Commissioner of Finance.

## **Budgetary Procedures**

The budget process for the City begins on or before July 31 of each year when the head of each administrative unit submits an estimate of revenues and expenses for the following year to the Mayor. Upon completion of the review of such estimates, the Mayor prepares and submits the proposed budget to the Common Council, and files a copy in the office of the City Chamberlain. The Common Council reviews the Mayor's tentative budget and may make changes or revisions that are not inconsistent with law. A public hearing must be held not less than 10 days following official notice of such hearing. Members of the community may express their views regarding the proposed budget. Following the public hearing, the Council may make such revisions as might be required. The Mayor then has up to ten days to veto changes made by the Common Council. Subsequently, the Council has up to five additional days to override a veto. The budget for the ensuing year must be adopted on or before December 31<sup>st</sup> of each year. In March, 2023, the City adopted its first fund balance policy in accordance with GFOA best practices.

Budgetary control is the responsibility of the Commissioner of Finance and the City Administrator. The Common Council must approve any changes made to the budget to ensure that actual expenditures do not exceed the amounts appropriated. If necessary, the Mayor has the authority to transfer certain appropriations between line items within any given department, however other transfers will require Council approval. In some cases, transfers between and among the various departments must be authorized by vote of the Common Council. Moreover, it is the Council that has ultimate responsibility for budgetary compliance and control which includes making revisions to appropriations or estimated revenues.

Summaries of the adopted budgets for the fiscal years ended December 31, 2018 through and including December 31, 2025 may be found in “APPENDIX – A” of this Official Statement. Full copies of the budget are available by request from the City’s Commissioner of Finance or from the City’s Municipal Advisor.

## **Investment Policy**

Pursuant to Section 39 of the State’s General Municipal Law, and the City has an investment policy applicable to the investment of all moneys and financial resources of the City. The responsibility for the investment program has been delegated by the Board to the Chief Financial Officer who was required to establish written operating procedures consistent with the City’s investment policy guidelines. According to the investment policy of the City, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The City has designated three banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The City is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the City is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the City include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the City (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the City, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The City may also utilize obligations guaranteed by agencies of the United States of America, where payment of principal and interest are guaranteed by the United States of America.

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (herein, collectively, “deposits) made by officers of the City that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Corporation, including pursuant to a Deposit Placement Program in accordance with law, shall be secured by:

1. A pledge of “eligible securities” with an aggregate “market value” (as provided by GML, Section 10) that is at least equal to 100% of the aggregate amount of deposits from all such officers within the State at the bank or trust company.
2. An “irrevocable letter of credit” issued in favor of the City by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any.

## **Revenues**

The City derives its revenues, primarily from real property taxes and special assessments, State aid, sales tax and departmental fees and charges. A summary of such revenues for the years 2018-2023 is presented in “APPENDIX A”, hereto. Information for said fiscal years has been excerpted from the City’s audited financial reports however, such presentation has not been audited.

Property Taxes: The City derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in the audited financial statements for the year ended December 31, 2023). Excluding other financing sources, real property taxes accounted for approximately 40.2% of such revenue in 2023.

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The following table sets forth the amount of real property tax revenue reported for the General Fund in the City’s audited financial statements for the fiscal years ended December 31, 2015 through and including December 31, 2023, the unaudited amount for the fiscal year ended December 31, 2024 and the amount included in the adopted budget for the fiscal year ended December 31, 2025.

**General Fund Revenue & Real Property Taxes**

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue <sup>(1)</sup></u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2015	\$40,665,063	\$17,893,048	44.0%
2016	44,186,098	20,010,823	45.3
2017	48,052,091	22,433,843	46.7
2018	48,448,755	23,579,119	48.7
2019	49,534,448	23,720,702	47.9
2020	48,012,588	22,588,126	47.1
2021	53,184,601	23,278,005	43.8
2022	58,280,158	25,206,553	43.3
2023	65,584,059	26,381,589	40.2
2024 (Unaudited)	66,676,956	27,814,034	41.7
2025 (Budget)	70,726,203	31,271,484	44.2

<sup>(1)</sup> Excludes Other Financing Sources.

Source: The 2015-2023 Audited Financial Statements, 2024 Unaudited Financial Reports and 2025 Adopted Budgets of the City. The Summary itself is not audited.

**State Aid**

The City receives financial assistance from the State. Excluding other financing sources, State Aid accounted for approximately 11.1% of the General Fund revenue of the City during the 2023 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. 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 City, in any year or future years, the City 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 City, 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 City. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. Delays in State aid due to delays in state budget approval and/or delays or difficulties in State financing could adversely affect the City’s revenues.

**General Fund Revenue & State Aid Revenue**

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue <sup>(1)</sup></u>	<u>State Aid</u>	<u>State Aid to Revenue</u>
2015	\$40,665,063	\$5,030,739	12.4%
2016	44,186,098	5,087,369	11.5
2017	48,052,091	6,659,758	13.9
2018	48,448,755	5,387,388	11.1
2019	49,534,448	5,208,017	10.5
2020	48,012,588	5,718,643	11.9
2021	53,184,601	6,581,897	12.4
2022	58,280,158	6,106,811	10.5
2023	65,584,059	7,282,799	11.1
2024 (Unaudited)	66,676,956	6,328,227	9.5
2025 (Budget)	70,726,203	6,793,329	9.6

<sup>(1)</sup> Excludes Other Financing Sources.

Source: The 2015-2023 Audited Financial Statements, 2024 Unaudited Financial Reports and 2025 Adopted Budgets of the City. The Summary itself is not audited.

## Sales Tax

The City receives a share of the County sales tax. The County currently imposes a local 3.75% sales tax in addition to the 4.00% State tax and 0.375% MTA tax for a total of 8.125%. Such taxes are collected and administered by the State Tax Commission and the proceeds are paid monthly to the County.

The Resolution requesting the State Legislature to extend the 0.75% increase in the County's sales tax rate unanimously passed the County Legislature and was signed by the County Executive on December 9, 2019.

In 2022, the City successfully negotiated a new 10 year sales tax agreement with the County and State that will bring an larger share of the sales tax revenue to the City over the life of the agreement. Historically, sales tax is approximately 20% of General Fund revenues of the City. In 2022, the County in connection with the new 10 year agreement furnished the City with a direct onetime \$3 million cash infusion, as an adjustment to the prior 10 year agreement. The agreement include an increase in the City share from 4.59% to 5.41% in the first 3 years, 5.63% in the next 4 years and 6.02% in the next 3 years in each case less \$300,000 annually. As a result, the City will receive equal proportional shares of potential year over year growth from State allocations to the County.

The following table sets forth the amount of sales tax revenue reported for the General Fund in the City's audited financial statements for the fiscal years ended December 31, 2015 through and including December 31, 2023, the unaudited amount for the fiscal year ended December 31, 2024 and the amount included in the adopted budget for the fiscal year ended December 31, 2025.

### General Fund Revenue & Sales Tax

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Revenue <sup>(1)</sup></u>	<u>Sales Tax</u>	<u>Sales Tax to Revenue</u>
2015	\$40,665,063	\$9,770,244	24.0%
2016	44,186,098	9,828,272	22.2
2017	48,052,091	9,912,245	20.6
2018	48,448,755	10,209,941	21.1
2019	49,534,448	11,353,823	22.9
2020	48,012,588	11,225,738	23.4
2021	53,184,601	12,237,342	23.0
2022	58,280,158	15,420,712	26.5
2023	65,584,059	13,915,652	21.2
2024 (Unaudited)	66,676,956	14,000,000	21.0
2025 (Budget)	70,726,203	15,370,145	21.7

<sup>(1)</sup> Excludes Other Financing Sources.

Source: The 2015-2023 Audited Financial Statements, 2024 Unaudited Financial Reports and 2025 Adopted Budgets of the City. The Summary itself is not audited.

## Expenditures

The major categories of expenditure for the City are General Government, Public Safety, Health, Transportation, Community Services, Culture and Recreation, Employee Benefits, Capital Outlay and Debt Service. For the fiscal years 2018 to 2023, total General Fund expenditures and other financing uses increased from \$49,923,482 to \$66,676,956, an increase of approximately 33.6%. A summary of the audited expenditures for the 2018-2023 fiscal years may be found in "APPENDIX A" hereto.

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## Financial Statements

The City retained the firm of RBT CPAs, LLP to audit the City's financial statement for the period ended December 31, 2017, December 31, 2018. For the fiscal years ending December 31, 2019 through 2023 the City hired BST & Co. CPA's LLP to audit the City's financial statements. The audited financial statements for the fiscal year ended December 31, 2023 may be found as "APPENDIX-G" of this Official Statement.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units" and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the Governmental Accounting Standards Board ("GASB").

Beginning with the fiscal year December 31, 2003 the City is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The City is currently in compliance with Statement No. 34.

Effective January 1, 2020, the City changed its accounting principle related to reporting the activities of the Water, Sewer, and Sanitation Funds. The Water, Sewer, and Sanitation Funds are supported by user charges to sustain operations along with subsidies from the General Fund to offset Sanitation Fund operating losses. In addition, the City is reliant on Federal and State grants to assist in financing critical Water and Sewer infrastructure requirements. Management and those charged with governance determined that accounting for Water, Sewer, and Sanitation related activities within the governmental activities provides a more accurate representation of the structure and intent, given these activities are partially funded by general government resources and the City's current rate structure does not provide the necessary resources to fund all capital and employee benefit obligations of the Water, Sewer, and Sanitation Funds. Accordingly, effective January 1, 2020, all assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and results of operations of the Water, Sewer, and Sanitation Funds are reported within the City's governmental activities. Reference should be made to the City's 2020 audited financial statements for a discussion of the impact of the change.

### *2024 Operating Expectations*

The City expects to conclude the fiscal year ending December 31, 2024 with an unaudited General fund balance of approximately \$2,446,383. Summary unaudited projected information for the General Fund for the period ending December 31, 2024 is depicted below:

Summary unaudited information for the General Fund for the period ending December 31, 2024 is as follows:

Total Fund Balance at December 31, 2023:	\$ 2,446,383
Estimated Revenues:	\$ 66,676,956
Estimated Expenditures:	<u>66,676,956</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ 0</u>
Total Projected Fund Balance at December 31, 2024:	\$ 2,446,383

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary materially therefrom.

### *2025 Adopted Budget*

The 2025 budget was adopted on December 3, 2024. The 2025 budget included total General fund expenditures of \$70,726,203. A full copy of the City's 2025 Adopted Budget may be obtained at the City's website: <https://cityofpoughkeepsie.com/DocumentCenter/View/3838/2025-Adopted-Budget?bidId=>

The City's 2025 actual revenues and expenditures will be impacted by the various operations of City and are subject to change throughout the 2025 fiscal year.

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## Pension Payments

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems 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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

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

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- The time period for final average salary calculation is 3 years
- Tier 6 employees will vest in the system after five years of employment and will continue to make employee pension contributions throughout employment

The City's payments to ERS and PFRS since the 2016 fiscal year have been as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2016	\$ 1,649,463	\$ 3,335,148
2017	1,634,737	3,385,211
2018	1,614,915	3,542,024
2019	1,684,338	3,237,450
2020	1,499,365	3,511,176
2021	1,465,261	3,613,879
2022	1,597,177	4,588,150
2023	1,679,056	4,685,423
2024 (Unaudited)	1,703,708	5,520,850
2025 (Budgeted)	1,800,380	5,747,461

Source: City officials

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. In mid-2019, the City offered certain eligible members of the CSEA bargaining group an early retirement incentive. 10 CSEA staff members participated in the early retirement incentive which resulted in an estimated \$41,000 net savings for the City. The City did not offer early retirement incentives between 2022 and 2024. No incentives are planned for the foreseeable future.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2021 to 2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	14.6%	24.4%
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2

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

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

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the City, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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In previous years, the City has elected to amortize a portion of its ERS and PFRS contributions. The below table reflects the amortized amounts of such contributions.

Fiscal Year Ended December 31:	Amortized Amount of ERS Contribution	Amortized Amount of PFRS Contribution
2012	\$441,409	\$351,700
2013	760,602	738,079
2014	466,532	588,888
2015	517,819	462,350

Note: For the 2016 to 2024 fiscal years the City did not amortize ERS or PFRS contributions. In addition, City officials have indicated they do not foresee amortizing such payments in the foreseeable future. The City’s payments on the previously amortized pensions will be in the amounts of \$419,473 in 2023, \$243,781 in 2024, and \$115,787 in 2025. The outstanding amortizations will be fully retired in 2025.

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

**Other Post-Employment Benefits**

Healthcare Benefits. It should also be noted that the City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the City, to account for post-retirement healthcare benefits as it accounts for vested pension benefits.

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

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The City adopted the provisions of Statement No. 75 for the year ending December 31, 2018.

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Summary of Changes from the Last Valuation. The City contracted with Milliman Inc., an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending December 31, 2022 and 2023.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source:

Total OPEB Liability – Balance at:	December 31, 2021		December 31, 2022	
	\$		\$	
	108,485,692		145,375,830	
<u>Changes for the year:</u>				
Service cost		5,529,547		8,002,453
Interest		2,388,436		3,126,868
Effect of Plan Changes		22,782,407		5,053,074
Economic/demographic gains or (losses)		5,262,776		0
Changes in assumptions or other inputs		3,647,547		(27,228,997)
Differences between expected and actual experience				
Benefit payments		(2,720,575)		(3,190,423)
Net Change		36,890,138		(14,237,025)
Total OPEB Liability – Balance at:	December 31, 2022		December 31, 2023	
	\$	145,375,830	\$	131,138,805

Note: The above table is not audited.

GASB 45. Prior to GASB 75, GASB Statement No. 45 (“GASB 45”) required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting 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 27, which covered accounting for pensions, GASB 45 did 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”) was 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 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

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

### **The State Comptroller’s Fiscal Stress Monitoring System**

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

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

The reports of the State Comptroller for the past five fiscal years of the City are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	Significant	75.0
2020	Significant	78.3
2021	Significant	71.7
2022	Susceptible	53.3
2023	Susceptible	47.5

For additional details regarding the Fiscal Stress Monitoring System visit the State Comptroller’s official website.

Note: References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

### **New York State Comptroller Reports of Examination**

State Comptroller’s Office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office has not released an audit of the City within the last five years. There are currently no State Comptroller’s audits of the City that are currently in progress or pending release.

Note: References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

## **TAX INFORMATION**

### **Assessment Procedure**

General Procedures. The City generally determines the valuation of taxable real properties as prescribed by the Real Property Tax Law of the State. The City Assessor undertakes regular inspections of properties to ensure that new construction or improvements or demolitions are properly reflected on the tax rolls. The Office of Real Property Tax Services (the “ORPTS”) determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities above, under, upon and through public streets or public places. Assessments are made on certain properties that are taxable for school purposes but exempt for general municipal purposes. A citywide revaluation of all properties became effective in 2007 (see below). City officials have indicated that there are currently no plans for another revaluation in the foreseeable future. However, the City Assessor continually conducts an evaluation of local City properties.

Homestead Tax Option. Pursuant to Local Law No. 4 of 2006, approved by the Common Council on February 21, 2006, the City adopted the “Homestead Tax Option” provisions of Section 1903 of the Real Property Tax Law. The homestead option became effective for City taxes levied for the year 2007. In order to make the homestead election, the City was required to complete a property revaluation project that met the regulations prescribed by ORPTS. Such revaluation was undertaken and completed with the tax assessment roll finalized on or about August 1, 2006. In 2025, homestead properties will pay a rate of \$10.83 per \$1,000 of taxable assessed values; the corresponding non-homestead tax rate for 2025 is \$13.93.

For 2025, based on the 2024 assessment roll, the taxable assessed value of homestead properties in the City was \$1,834,931,055, the non-homestead properties were valued at \$847,954,828 for a total assessed value of \$2,682,885,883, inclusive of PILOTs. The relative proportion of homestead and non-homestead properties will change with adjustments and the addition of new properties, however, the statute provides for a 5% annual cap. The total homestead and non-homestead taxable assessed values include PILOTs and therefore do not coincide with the assessed valuations utilized to calculate the debt limit of the City.

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**Valuations**

<u>Assessment Roll:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>For FYE December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations	\$ 1,702,263,222	\$ 1,975,362,433	\$ 2,234,348,657	\$ 2,542,321,586	\$ 2,682,885,883
New York State Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	\$ 1,702,263,222	\$ 1,975,362,433	\$ 2,234,348,657	\$ 2,542,321,586	\$ 2,682,885,883

**Tax Rates Per \$1,000 (Assessed)**

<u>Fiscal Year Ending December 31</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City	\$ 12.51	\$ 11.53	\$ 10.27	\$ 10.10	\$ 10.83
Library	1.75	1.51	1.36	1.36	1.43
County	3.17	2.85	2.49	2.23	2.17
Total	<u>\$ 17.43</u>	<u>\$ 15.89</u>	<u>\$ 14.12</u>	<u>\$ 13.69</u>	<u>\$ 14.43</u>

**Taxing Authority**

The City derives its power to levy an ad valorem real property tax from the Constitution of the State, subject to applicable statutory limitations (see “Tax Levy Limit Law,” herein). The City is responsible for levying taxes for City purposes only. The City’s property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the City. However, such limit is further reduced by the City’s Administrative Code to 1½ percent of the five-year average full valuation of taxable real property of the City. Excluded from the calculation are levies for net debt service, capital expenditures and judgments and claims.

**Real Estate Tax Levying Limitation  
Year Ending December 31, 2025**

One and One-Half Per Centum (1½%) of Five-Year Average Full Valuation <sup>(1)</sup>	<u>\$33,679,203</u>
Tax Levy	31,671,484
Exclusions <sup>(1)</sup>	<u>4,648,978</u>
Tax Levy Subject to Constitutional Tax Limit	<u>27,022,506</u>
Percentage of Tax Limit Exhausted	<u>80.23%</u>
Constitutional Tax Margin	<u>\$6,656,697</u>

<sup>(1)</sup> Exclusions include debt service.

Source: The 2025 Adopted Budget of the City.

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## Tax Collection Procedure

City and County Taxes. The ad valorem real property tax bill is comprised of three elements: (1) general city purposes, (2) County purposes, (3) and the Greater Poughkeepsie Library District. Each tax rate is established during the budget process to balance total appropriations and estimated revenues. Real property taxes become payable upon the levy of such taxes by the City Common Council, County Legislature and the Library District Board of Trustees. Taxes become a lien on January 1. When installments are not paid in full by February 15<sup>th</sup>, partial payments in any amount plus interest and fees will be accepted by the Commissioner of Finance until the balance is paid in full. Payments made after February 16<sup>th</sup> are subject to interest charges at 1% per month retroactive to January 1<sup>st</sup> on the outstanding remaining balance.

School Taxes. School taxes are levied by the Board of Education of the City School District and become a lien as of July 1<sup>st</sup>. Taxes may be paid in two equal installments due on or before September 15<sup>th</sup> and November 15<sup>th</sup>. Payments received after these dates must include interest computed at 1% per month or fraction thereof. The second installment may not be paid unless the first installment has been paid or will be paid simultaneously with the second installment. Upon expiration of the school tax warrant, the District tax collector submits a statement of unpaid taxes to the Board of Education. The Board verifies and certifies such statement and transmits the statement to the City for collection and enforcement. The City routinely remits moneys received from the collection of school taxes to the City School District throughout the calendar year. In accordance with the provisions of the Real Property Tax Law, the City must pay the City School District the full amount of the unpaid school taxes within two years of receiving the aforementioned listing of unpaid school taxes.

Unpaid Taxes. The City enforces and guarantees the unpaid taxes of the County, Library District and City School District. Unpaid taxes are enforced pursuant to Article XIV of the City's Administrative Code. In December 2021 the City passed Local Law 21-05 to transition the City from Tax Lien foreclosure processes to In Rem foreclosures. This changed the waiting period for redemptions from two years to six months, significantly shortening the cash cycle for receipts of delinquent taxes. In addition, the City now requires that current taxes due must be paid before payments of old taxes are accepted. Supporting this policy, in 2022 the City began offering Installment Plans that provide up to 36 months to catch up taxes in arrears, at 1% per month added to balances. By stepping away from the outdated tax lien foreclosure process, the City aligned itself with the vast majority of other New York municipalities. In an In Rem procedure, a lien is placed on the property after the taxes have been owed for two years and then a petition is filed with court for tax foreclosure. Tax foreclosure proceedings are similar to mortgage foreclosure proceedings in that a lawsuit is filed in court and the case proceeds in court until a settlement is reached, the tax lien has been paid with interest and penalties, or the property has been foreclosed upon. During foreclosure, the property is either sold at auction or, in the City may take possession of the property. In 2020, the state placed a moratorium on foreclosure sales due to the COVID-19 pandemic. This suspension costs the City approximately \$500,000 annually. In late Spring of 2025, the City plans to hold its first public auction of foreclosed properties in five years and will be conducted by a third-party auctioneer.

Various statistics concerning real property taxes, including collection data, are presented in the Real Property Tax Assessments and Rates table on the previous page. The City annually budgets an allowance for unpaid taxes. The City treats delinquent taxes as deferred revenue

## Tax Levy and Collection Record

<u>Fiscal Year Ending December 3</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Purposes	\$ 24,877,325	\$ 25,850,000	\$ 26,418,809	\$ 28,611,952	\$ 31,650,625
Library	3,471,438	3,429,928	3,521,653	3,897,852	4,225,946
County	5,432,634	5,404,502	5,383,315	5,467,099	5,620,169
Water & Sewer	1,409,565	- <sup>(1)</sup>	- <sup>(1)</sup>	3,813,638	1,767,362
Other	907,612	8,658	- <sup>(1)</sup>	2,238,276	772,766
Total Tax Levy	<u>\$ 36,098,574</u>	<u>\$ 34,693,088</u>	<u>\$ 35,323,777</u>	<u>\$ 44,028,817</u>	<u>\$ 44,036,868</u>
% Uncollected <sup>(2)</sup>	3.44%	3.38%	2.10%	3.35%	8.03% <sup>(3)</sup>

<sup>(1)</sup> Due to the impact of the COVID-19 pandemic, prior balances were not rolled to taxes and remain outstanding in their respective accounts.

<sup>(2)</sup> Does not include tax collections or lien amounts from prior fiscal years.

<sup>(3)</sup> Amount uncollected through March 2025.

**Ten Largest Taxpayers – 2024 Assessment Roll for 2025 Tax Roll**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>
C H G & E Corp.	Electric & Gas	\$185,627,689
Corlies Manor Realty, LLC	Apartments	20,042,900
Rip Van Winkle House LLC	Apartments	14,334,300
Welltower OM Group LLC	Professional Bldg	13,500,000
Luckey Platt Equities LLC	Att Row Bldg	11,456,600
40 Cannon LLC	Multi-use Bldg	10,816,000
EP Poughkeepsie Realty LLC	Health Bldg	9,734,400
One Dutchess Phase 2 LLC	Apartment/Condo	9,363,090
The O’Neill Group-Dutton LLC	Apartments/Condo	9,350,000
Executive Towers Apartments	Apartments/Co-Op	9,179,500

The taxpayers listed above have a total assessed valuation of \$293,404,479 which represents 10.9% of the City’s taxable assessed valuation.

Tax Certiorari Proceedings. The City is a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. None of the outstanding claims are expected to result in a material impact on City Finances. In these actions, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over-assessment. Claims of this nature are filed continuously and some cases may not be settled for several years. It is not possible to provide an estimate of the City’s ultimate financial exposure with respect to tax certiorari claims. Historical information is presented below. Under State Law, the City may issue debt for the purpose of making tax refunds.

Historically, tax certiorari settlements have resulted in assessment reductions that were for amounts less than the original claim. The table below indicates the minimal impacts of these claims on the City’s revenue. Tax refunds paid since 2018 are below:

<u>Fiscal Year Ending</u>	<u>Tax Refund Paid</u>
<u>December 31st</u>	
2018	\$ 52,740
2019	8,190
2020	21,351
2021	9,650
2022	27,422
2023	4,158
2024	17,686

**Tax Levy Limitation Law**

The Tax Levy Limitation Law applies to virtually all local governments in the State, including school districts (with the exception of New York City). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities’ tax levies. Prior to the enactment of the Tax Levy Limitation Law, all the taxable real property within the City had been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limitation Law imposes a statutory tax levy limitation upon the City for any fiscal year commencing on or after January 1, 2012, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City, without limitation as to rate or amount, may or may not be subject to statutory limitations, according to the formulas set forth in the Tax Levy Limitation Law.

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the lesser of (i) two percent, or (ii) the annual increase in the consumer price index, calculated as provided in the Tax Levy Limitation Law.

The City 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 Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and certain portions of tort judgments payable by the City. The governing board of the City may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the City first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the City, a local law (resolution in the case of fire districts and certain special districts) to override such limit for such coming fiscal year. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. See also “NATURE OF OBLIGATION.”

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on other outstanding general obligation debt of municipalities or such debt incurred after the effective date of the law (June 24, 2011).

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

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

Purpose and Pledge. Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

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

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

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

### Statutory Procedure

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

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

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

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

Such obligations are authorized in violation of the provisions of the Constitution.

The City generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the City, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing (or seven years in the case of obligations originally issued in calendar years 2015 through 2021). (See "Payment and Maturity" under "Constitutional Requirements" herein.)

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

#### Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 42,519,878	\$ 37,684,000	\$ 40,955,760	\$ 37,849,320	\$ 34,779,740
Bond Anticipation Notes	6,182,857	6,340,000	5,880,000	3,195,000	2,949,949
Tax Anticipation Notes	0	0	0	500,000	4,000,000
Installment Purchase Debt	486,062	389,196	295,585	199,557	101,051
Short Term EFC Loans	<u>11,083,041</u>	<u>6,617,736</u>	<u>9,431,303</u>	<u>9,123,371</u>	<u>10,761,068</u>
Total Debt Outstanding	<u>\$ 60,271,838</u>	<u>\$ 51,030,932</u>	<u>\$ 56,562,648</u>	<u>\$ 50,867,248</u>	<u>\$ 52,591,808</u>

#### Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City evidenced by bonds and notes as of April 3, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2053	\$ 34,405,740
<u>Bond Anticipation Notes</u>		
Various Projects	April 25, 2025	2,949,949 <sup>(1)</sup>
Short-Term EFC Sewer Loan	April 26, 2025	10,761,068
<u>Tax Anticipation Notes</u>	November 6, 2025	<u>4,000,000</u> <sup>(2)</sup>
Total Indebtedness		<u>\$ 52,116,757</u>

<sup>(1)</sup> To be redeemed with the proceeds of the Bonds and Notes along with \$263,000 available City funds.

<sup>(2)</sup> To be redeemed at maturity with available City funds.

**Debt Statement Summary**

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 3, 2025:

Five-Year Average Full Valuation of Taxable Real Property ..... \$ 2,227,436,356  
Debt Limit – 7% thereof ..... 155,920,545

Inclusions:

Bonds.....\$ 34,405,740  
Bond Anticipation Notes ..... 2,949,949  
Short-Term EFC Sewer Loan..... 10,761,068  
Total Inclusions..... \$ 52,116,757

Exclusions:

Appropriations – Bonds.....\$ 113,000  
Appropriations – Notes ..... 150,000  
Water <sup>(1)</sup>..... 19,930,740  
Total Exclusions..... \$ 20,193,740

Total Net Indebtedness Subject to Debt Limit.....\$ 31,923,017  
Net Debt-Contracting Margin..... 123,997,528  
Percent of Debt Contracting Power Exhausted..... 20.47%

<sup>(1)</sup> Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit.

**Bonded Debt Service**

A schedule of bonded debt service and principal of the Bonds may be found in “APPENDIX – B” to this Official Statement.

**Cash Flow Borrowings**

Prior to 2003, the City had not borrowed for cash flow purposes for the previous 5 years. On December 12, 2023, the City competitively sold Tax Anticipation Notes, in the principal amount of \$500,000 pursuant to a tax anticipation note resolution dated November 20, 2023 authorizing the issuance of \$500,000 tax anticipation notes. The additional funds were used to address annual cash flow shortages that occur during the 4<sup>th</sup> quarter and subsequent 1st quarter each year.

The City’s \$4,000,000 tax anticipation notes issued on December 5, 2024 was for the purpose of correcting the structural imbalance of matching expenditures to revenues which is forecasted to take place annually.

**Capital Leases**

The City from time-to-time acquires or constructs capital assets pursuant to financing leases or installment purchase contracts as such leases are described under State law. Under State law, installment purchase contracts are deemed to be executory only to the extent that moneys have been appropriated and are available therefor. Such contracts do not constitute general obligations of the City secured by a full faith and credit pledge of the City’s taxing powers. However, installment purchase contracts are considered to be chargeable debt for purposes of computing the City’s debt limitation prescribed by Section 104.00 of the Local Finance Law.

The City entered into a 60 month or 5 year lease agreement dated as of September 15, 2020 for acquisition of parking meters. Also, the City entered into a 60 month or 5 year lease agreement for enterprise fleet management to reduce the average age of the City’s non-CDL vehicle fleet and reduce vehicle maintenance and repair cost. The City is leasing 35 vehicles at an annual cost of \$272,896.32 . Additionally, on October 16, 2024 the City entered into a 6 month lease agreement (with annual renewals) for the use of 4 dump trucks and seasonal vehicle attachments at a cost of \$93,145.

## Capital Project Plans

Capital Budget Program: Each year the City prepares a five-year capital program. Pursuant to the City Charter, the Mayor shall submit to the Common Council on or before July 1<sup>st</sup>, a written proposed city-wide capital projects program for the ensuing five years. Such capital projects program is to be in form and substance prescribed in the City's Administrative Code. The Common Council is required to conduct at least one hearing at which the public may be heard with respect to such program. If the capital projects program is not adopted on or before the thirty-first day of August, the proposed capital projects program submitted by the Mayor shall be deemed the City's program for the next five years. Formal funding decisions are usually made in February of the following year for those items not contained in the operating budget.

2025-2029 Capital Plan: In collaboration with Common Council, and after multiple public hearings, the City's 2025-2029 Capital Improvement Plan was approved on August 29, 2024. The City's 2025-2029 Capital Improvement can be found at <https://www.cityofpoughkeepsie.com/239/Budgets-Audits-Tax-Rolls-Capital-Plans>.

Debt Management Policy: Subsequent to a comprehensive review of the City's Debt Management Plan, the Common Council adopted a debt management policy in October of 2017. Full copies of the Debt Management Plan are available by request from the City's Commissioner of Finance or from the City's Municipal Advisor.

The City has a variety of projects which are continually being reviewed and evaluated. The City issues public improvement (serial) bonds and bond anticipation notes for various City projects included in the Capital Plan of the City. The City has authorized and unissued bond resolutions in the amount of \$54,857,417. Additional borrowings and further authorizations will depend on which projects the City elects to undertake.

The City issued an amended and restated short-term grid note in the nominal amount of \$11,256,000 dated April 7, 2024 to mature August 12, 2027, to renew outstanding short-term EFC debt and provide new money for completion of the Meyer Avenue pump station, CSO and water treatment plant improvements.

On December 5, 2023, the City issued EFC market rate financing for the principal amount of \$1,048,860 to finance a portion of the City's cost of a joint water project for the replacement of existing UV Disinfection equipment at the water plant. A portion of the City's cost was to be paid from a WIIA grant in the amount of up to \$1,450,129.

The transportation projects below include federal and in some cases state funding shares with a local match. The City is required to finance initial expenditures to be reimbursed periodically according to federal and/or state shares.

- Washington Street Bridge and Garden Street Bridge Reconstruction – Federal Share 80%, anticipated but not guaranteed State Marchiselli aid 15%, local share 5%. Anticipated to receive bids in 2025 for Garden Street and Washington Street. Bond resolutions approved for a financing amount of \$24,646,496 pending reimbursement of federal and state shares. \$1,000,000 of authorization has been issued.
- Mansion Street/Pershing Bridge Reconstruction – A Bond resolution was approved for a project cost of \$4.38 million, subject to review upon completion of design. The City is seeking additional grant funding.
- The City is planning a lead service line replacement project which is planned to be accomplished in 3 phases with a total anticipated cost of \$147 million.
  - Phase I consists of inventory study and cataloging. On April 15, 2025, a resolution was adopted for Phase I in the amount of \$453,300 (subject to estoppel).
  - Phase II consists of municipal owned water line/replacement.
  - Phase III consists of privately owned water line replacement.

The City has been advised by NYS EFC of grant awards in the amount of \$3,167,668 and zero interest loans in the amount of \$11,869,473 for Phases I, II and portions of Phase III. The City anticipates funding the remaining portions through budgetary appropriations, future grant opportunities, and debt issuances.

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## Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of the respective municipalities, not adjusted to include subsequent bond issues, if any.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Applicable Indebtedness</u>
County of:						
Dutchess	3/13/2025 <sup>(2)</sup>	\$ 303,500,000	\$ 15,320,000 <sup>(3)</sup>	\$ 288,180,000	5.61%	\$ 16,166,898
School District:						
Poughkeepsie City	12/23/2024 <sup>(2)</sup>	58,600,000	51,157,800 <sup>(4)</sup>	7,442,200	100.00%	<u>7,442,200</u>
Total:						<u><u>\$ 23,609,098</u></u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (3) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (4) Includes estimated State Building Aid ratio of 87.3%.

## Debt Ratios

The following table sets forth certain ratios related to the City's indebtedness as of April 3, 2025:

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Valuation</u> <sup>(b)</sup>
Net Direct Indebtedness <sup>(b)</sup>	\$ 31,923,017	\$1,004.75	1.19%
Net Direct Plus Gross Overlapping Indebtedness <sup>(d)</sup>	55,532,115	1,747.83	2.07

- (a) The City's 2023 estimated population is 31,772. (See "THE CITY - Population Trends" herein.)
- (b) The City's full valuation of taxable real estate for fiscal year ending 2025 is \$2,682,885,883. (See "TAX INFORMATION - Property Valuation and Tax Data" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) The City's applicable share of net overlapping indebtedness is \$23,609,098. (See "Estimated Overlapping Indebtedness" herein.)

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## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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

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

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. A plan of adjustment potentially including a plan altering the terms of payment of the Bonds and Notes can be confirmed by a federal bankruptcy court over the objections of creditors if the plan is found to be "fair and equitable" and "in the best interest of creditors."

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

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

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

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

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

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

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

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

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

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

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

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards

established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

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

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

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

Such Constitutional provision does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “NATURE OF OBLIGATION” herein.

**No Past Due Debt.** No principal of or interest on City indebtedness is past due. The City has never defaulted in the payment of the principal of and interest on any indebtedness. However, due to an administrative error, in August of 2016 and March of 2019, the City made late interest payments with respect to a series of outstanding bonds. The late payments were not a result of insufficient funds being available and were each subsequently made when brought to the City’s attention.

## MARKET AND RISK FACTORS

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

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

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

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

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

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the City without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the City, could have an impact upon the market price of the Bonds and Notes. See "TAX INFORMATION – Tax Levy Limitation Law " herein.

### 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 City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

### Cybersecurity

The City, 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 City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. In addition, the City faces threats from email compromise and other attempts to fraudulently obtain private data or funds. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City 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 City digital networks and systems and the costs of remedying any such damage could be substantial.

### **Other Risk Factors**

General Factors. The City's expenditures may increase substantially in the future. For example, the City could be required to make substantial operating expenses (e.g., legal judgments) or could be required to refund substantial tax revenues as a result of adverse tax certiorari proceedings (See "LITIGATION," herein). There can be no assurance that the City will not be required to issue additional debt to generate funds to pay these expenditures and that the City's real property taxes and other revenues will be sufficient to pay the Bonds and Notes and such additional debt.

## CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12” or the “Rule”), the City will enter into an Undertaking to provide continuing disclosure with respect to the Bonds, and an Undertaking to provide notice of certain enumerated events as described in Rule 15c2-12 with respect to the Notes, substantially in the forms attached hereto as “APPENDIX – C” and “APPENDIX – D”. The City reserves the right to amend or modify the Undertakings under certain circumstances set forth therein, provided that any such modification must be done in a manner consistent with Rule 15c2-12.

The City currently retains Fiscal Advisors & Marketing, Inc. as a dissemination agent to assist the City with filings required under Rule 15c2-12. Such dissemination agent works with the City to help ensure that proper information is filed as required under the City’s disclosure undertakings. The City Commissioner of Finance has approved a post compliance procedure which requires the Commissioner to engage a registered municipal financial advisor to assist with such compliance. The procedure also requires regular consultation with the City’s Corporation Counsel and City Administrator regarding other financial obligations of the City.

### Historical Continuing Disclosure Compliance History

The City has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; except as follows;

- The City failed to provide Annual Financial Information, consisting of its unaudited financial statements in the form provided to the State (the “Annual Financial Update Report Document”) for the fiscal year ending December 31, 2019, as required by the City’s outstanding undertaking agreements by June 30, 2020. On July 14, 2020, the City filed a material event notice to EMMA providing notification of the City’s failure to file its 2019 Annual Financial Update Report Document. On October 2, 2020 the City filed its 2019 Annual Financial Update Report Document to EMMA.
- The City failed to file its Audited Financial Statements for the fiscal year ending December 31, 2019 by the 360 day after the end of the 2019 fiscal year. The City filed a failure to file material event notice on January 6, 2021. The City’s audit was completed on February 9, 2022 and was filed to EMMA on February 14, 2022.
- The City failed to file material event notification in connection with financial obligations entered into by the City during the 2020 fiscal year. On October 6, 2020 the City filed a material event notification/failure to provide event filing information providing notice and details of the financial obligations and the City’s failure to file event filing information within 10 business days as required by its outstanding disclosure undertakings.
- The City failed to file its Annual Financial Information and Operating Data and Unaudited Financial Statements for the fiscal year ending December 31, 2020 as required by the City’s outstanding undertaking agreements. The City filed a failure to file material event notice on July 13, 2021. The City filed its Unaudited Financial Statement for the fiscal year end December 31, 2020 on July 30, 2021. The City filed its Annual Financial Information and Operating Data for the fiscal year end December 31, 2020 on August 4, 2021.
- The City failed to file its Audited Financial Statements for the fiscal year ending December 31, 2020 by the last business day of one fiscal year succeeding the end of the 2020 fiscal year. The City filed a failure to file and failure to provide event notification material event notice on March 16, 2022. The City’s 2020 audit was filed to EMMA on March 7, 2023.
- The City failed to file its Audited Financial Statements for the fiscal year ending December 31, 2021 by the last business day of one fiscal year succeeding the end of the 2021 fiscal year. The City filed a failure to file and failure to provide event notification material event notice on April 2, 2023. The City’s 2021 audit was filed to EMMA on May 9, 2023.
- The City failed to file its Audited Financial Statements for the fiscal year ending December 31, 2022 by the last business day of one fiscal year succeeding the end of the 2022 fiscal year. The City filed a failure to file event notification material event notice on January 10, 2024. The City’s 2022 audit was filed to EMMA on March 27, 2024.

The City has taken steps to improve the efficiency and timeliness of the completion of the audited financial statements in order to meet applicable deadlines for future disclosure responsibilities.

## TAX MATTERS

**Opinion of Bond Counsel.** In the opinion of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel to the City, under existing law, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds and Notes is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In addition, interest on the Bonds and Notes is not treated as an “item of tax preference” for purposes of the federal alternative minimum tax applicable to individuals under the Code; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Arbitrage and Use of Proceeds Certificates of the City which will be delivered concurrently with the delivery of the Bonds and Notes, respectively, will contain provisions and procedures relating to compliance with applicable provisions of the Code.

It is also the opinion of Bond Counsel to the City that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State and its political subdivisions (including The City of New York).

Bond Counsel expresses no opinion with respect to any other federal, state or local tax consequences arising with respect to the Bonds and Notes or the ownership or disposition thereof.

Bond Counsel’s opinion is rendered as of its date, and no opinion is expressed as to matters referred to herein on any subsequent date. Certain requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificates delivered in connection with the issuance of the Bonds and Notes may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such document, upon the advice or with the approving opinion of Bond Counsel. Bond Counsel expresses no opinion as to the Bonds and Notes or the interest thereon if any change occurs or action is taken upon the advice or approval of bond counsel other than Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York.

**Certain Requirements of the Code.** The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds and Notes in order that interest on the Bonds and Notes be and remain not included in gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include but are not limited to restrictions on the investment and use of proceeds of the Bonds and Notes and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Bonds and Notes to become subject to Federal income taxes retroactive to the date of issue of the Notes, irrespective of the date on which such noncompliance occurs or is ascertained. The City will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Bonds and Notes which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificates will include the City’s certification to the effect that the City will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds and Notes is not included in gross income pursuant to Section 103(a) of the Code.

In rendering its opinion, Bond Counsel has relied upon the representations, certifications of fact and statements of reasonable expectations made by the City in connection with the Bonds and Notes, and Bond Counsel has assumed compliance with such covenants and warranties and the accuracy, in all material respects, of such representations and certifications.

**Certain Additional Federal Tax Consequences.** The following is a brief discussion of certain federal income tax matters with respect to the Bonds and Notes under existing law. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Bond or Note. Prospective investors are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds or Notes. Bond Counsel expresses no opinion regarding any such consequences.

Prospective purchasers of Bonds and Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, and individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry obligations. Interest on the Bonds and Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Owners of Bonds and Notes subject to any such taxes or who might fall into any such category should consult their own tax advisors as to the computation of any such tax and the applicability of these consequences.

Legislation affecting municipal obligations, such as the Bonds or Notes, is considered from time to time by the United States Congress. There can be no assurance that legislation or administrative actions enacted or proposed after the date of issuance of the Bonds and Notes will not have an adverse effect on the tax-exempt status or market price of the Bonds and Notes.

**Original Issue Discount.** “Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Obligation (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of each of the Bonds and Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents or wholesalers). In general, the issue price for the Bonds and Notes is expected to be the initial public offering price set forth in this Official Statement. For any Bonds and Notes having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds and Notes.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or the other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

**Bond and Note Premium.** In general, if an owner acquires a bond or note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bonds and Notes after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes a “bond premium” on that bond or note (a “Premium Bond”). In general, under Section 171, of the Code, an owner of a Premium Bond must amortize the premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

**Information Reporting and Backup Withholding.** Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds and Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

The Bonds and Notes will not be designated as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

**Miscellaneous.** Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds and Notes under Federal or state law or otherwise prevent beneficial owners of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds and Notes.

The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds and Notes is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds and Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds and Notes, the City may have different or conflicting interests from the

owners of the Bonds and Notes. Public awareness of any future audit of the Bonds and Notes could adversely affect the value and liquidity of the Bonds and Notes during the pendency of the audit, regardless of its ultimate outcome.

PROSPECTIVE PURCHASERS OF THE BONDS AND NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

## LEGAL MATTERS

Legal matters incident to the authorized issuance and sale of the Bonds and Notes will be subject to the final approving opinion of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel. The forms of the approving opinions of bond counsel with respect to the Bonds and Notes expected to be delivered at closing are attached to this Official Statement as “APPENDIX F” and “APPENDIX G” and made a part thereof. Certain legal matters will be passed on for the City by its Corporation Counsel.

## LITIGATION

There are a number of outstanding claims and pending actions against the City that allege personal injury, civil rights violations, contract violations and erroneous administrative determinations by City officials. The Corporation Counsel is of the opinion, however, that the likelihood is remote that such suits, individually or in the aggregate will result in judgements in excess of the City’s insurance coverage and reserves, and, except as set forth below, the outcome of the claims and actions presently pending against the City are not expected to have an adverse material effect on the City’s financial position. See also “Tax Certiorari Proceedings” under the caption “TAX INFORMATION.”

The City’s Corporation Counsel’s office reports the following active litigation and claims with potential net damages of \$50,000 or more.

### Litigation and Claims

#### *Litigation*

1. Meade, Judith as administrator of the Estate of Dondre Meade v. City of Poughkeepsie. Plaintiff-Decedent was driving a dirt bike through the City of Poughkeepsie. It is alleged that the police approached Plaintiff-Decedent, resulting in him riding away. Police pursued and Plaintiff-Decedent drove his dirt bike into a vehicle driven, causing injuries resulting in his death.
2. Faublas, Tamara v. City of Poughkeepsie. Plaintiff claims she was walking on a city sidewalk raised due to tree roots when she tripped and fell. Injuries include a torn meniscus in her left knee requiring surgery.
3. Basora, Richard v. City of Poughkeepsie. Plaintiff alleges excessive force, assault and battery during his arrest due to an altercation with another male. The Plaintiff was under the influence of marijuana at the time. He is claiming 10 broken ribs.
4. Reynolds, Carolyn v. City of Poughkeepsie. Plaintiff alleges she was injured when she fell on a sidewalk adjacent to a city parking facility on snow that was plowed by the City. The City contends that it did not plow the snow and did not have prior written notice. The City was successful in getting the case dismissed on summary judgment. A notice of appeal has been filed, the matter has been fully briefed. The Appellate Division reversed the grant of summary judgment, and we would expect settlement discussions to now take place.
5. Clark, Rena v. City of Poughkeepsie. Plaintiff alleges that she tripped and fell on an uneven sidewalk fracturing her ankle and tearing a tendon. Plaintiff underwent surgery with hardware and a cast up to her shin.
6. Burke, Richard and Karen v. City of Poughkeepsie. Plaintiff alleges that he fell in the roadway on Cannon Street in November 2022 fracturing his left arm/elbow, requiring surgery.

(Posted reserve by insurance unknown at this time)

\* Note: All pending litigation and claims are being vigorously contested by the City. In federal court, certain claims may also result in the City’s payment of some or all of plaintiff’s attorney fees in addition to monetary damages. All litigation and claims are subject to the reduction of award of damages in proportion to the comparative fault of the plaintiff as assessed by the finder of fact.

Source: City of Poughkeepsie Corporation Counsel



Contingencies. The City is a participant in a joint landfill closure project, involving a coalition of certain municipalities in the County, which constructed, operated and closed a municipal solid waste landfill on land leased from the County. The City and the other participating municipalities executed a consent order with the State Department of Environmental Conservation (“DEC”), providing for the closure of the landfill. The City’s share of the projected cost was approximately \$3,100,000, reduced by a DEC grant of \$600,000. The City issued \$2,545,000 bonds in 2009 through the State Environmental Facilities Corporation (“EFC”) Clean Water State Revolving Fund to finance the City’s share. The City continues to monitor the project to ensure compliance with the consent order.

Insurance and Reserves. After a review of risk management and the adequacy of insurance protection in 2017, the City transitioned to coverages offered by the New York Municipal Insurance Reciprocal (“NYMIR”). The transition eliminated the City’s self-insurance retention of \$1.0 million and replaced it with a \$500,000 deductible. In addition, the maximum total claim coverage was increased from \$3.0 million to \$4.0 million and \$8.0 million in aggregate annually. Under the terms of the agreement, NYMIR will now be responsible for legal defense and adjuster costs for claims made against the City. In addition, NYMIR completed valuations on certain City-owned properties. In 2018, the City hired a full-time Risk Manager, and in 2019 created a new City Department of Human Resources, led by the newly created position of Human Resources Director. The Risk Manager reports to the Director of Human Resources and oversees a full-time “Safety Officer” assigned to the City’s Department of Public Works. NYMIR continues to provide the City with enhanced training for all personnel, including loss-prevention measures.

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

Source: City Officials.

## RATINGS

The Bonds and Notes are not rated.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). is anticipated to assign its bond rating “AA/Stable” to the Bonds based upon the issuance by Build America Mutual Assurance Company (“BAM”) of its standard form of Municipal Bond Insurance Policy with respect to the Bonds. See “APPENDIX – H – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

S&P assigned their issuer credit rating of “BBB+/Positive” on July 24, 2024.

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such ratings should be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Moody’s Investors Service assigned its rating of “Baa3” with no outlook to the City’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

Below is a history of the City’s underlying credit rating with Moody’s Investors Service (“Moody’s”) since 2013.

- On January 22, 2013, Moody’s downgraded the general obligation rating of the City to “Baa2 (negative outlook)” from an “A2 (negative outlook).”
- On January 6, 2014, Moody’s further downgraded the general obligation rating of the City to “Baa3 (negative outlook)” from a “Baa2 (negative outlook).”
- Moody’s subsequently affirmed the City’s “Baa3 (negative outlook)” on April 8, 2014, January 30, 2015 and July 7, 2015.
- On February 29, 2016, Moody’s downgraded the long-term general obligation credit rating of the City to “Ba1,” while maintaining the negative outlook.
- On December 23, 2016, Moody’s released an issuer comment relative to the City’s 2017 adopted budget, indicating the increase of the real property tax levy as a credit positive.
- On July 17, 2017, Moody’s affirmed the “Ba1” long-term general obligation credit rating of the City, while revising the outlook from negative to stable.

- On April 19, 2019, Moody’s affirmed the “Ba1” (stable outlook) long-term general obligation credit rating of the City.
- On March 9, 2021, Moody’s affirmed the “Ba1” (stable outlook) long-term general obligation rating of the City.
- On May 31, 2023, Moody’s affirmed the “Ba1” ratings and revised the outlook to positive.
- On August 22, 2024, Moody’s upgraded its issuer rating and long term general obligation limited tax rating of the City to “Baa3” with no outlook.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Bonds and Notes.

### **MUNICIPAL ADVISOR**

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

### **CUSIP IDENTIFICATION NUMBERS**

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

### **MISCELLANEOUS**

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

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

Rodenhausen, Chale, & Polidoro, LLP Bond Counsel to the City, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

The City's contact information is as follows: Joseph Vita, Commissioner of Finance, 62 Civic Center Plaza, Poughkeepsie, New York, 12601, Phone: 845-451-4025, Email: [jvita@cityofpoughkeepsie.com](mailto:jvita@cityofpoughkeepsie.com) or from the City's Municipal Advisor, Fiscal Advisors & Marketing, Inc., 250 South Clinton Street, Suite 502, Syracuse, New York 13202, (315) 752-0051.

**CITY OF POUGHKEEPSIE**

**Dated: April 15, 2025**

**JOSEPH VITA**  
**Commissioner of Finance**  
**&**  
**Chief Fiscal Officer**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 1,724,295	\$ 805,191	\$ 4,142,441	\$ 606,493	\$ 1,624,301
Restricted Cash	559,110	519,812	7,556,416	14,755,100	7,523,377
Investments	-	-	-	-	-
Taxes Receivable, Net	10,570,428	8,562,417	9,494,372	10,332,492	8,375,610
Other Receivables	1,330,050	1,320,803	727,828	809,173	906,634
Due from Other Funds	4,473,083	7,096,806	4,538,786	10,073,626	11,484,134
Due From Related Party	-	-	-	-	-
Due From Other Governments	887,932	703,484	1,720,701	2,364,908	2,521,731
Prepaid and Other Assets	199,431	141,965	255,850	482,344	522,077
State and Federal Receivable	376,536	1,595,726	1,066,548	1,082,235	1,093,326
<b>TOTAL ASSETS</b>	<b><u>\$ 20,120,865</u></b>	<b><u>\$ 20,746,204</u></b>	<b><u>\$ 29,502,942</u></b>	<b><u>\$ 40,506,371</u></b>	<b><u>\$ 34,051,190</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 5,860,620	\$ 6,152,444	\$ 6,388,080	\$ 8,084,544	\$ 11,926,952
Accrued Liabilities	672,319	901,059	1,017,812	1,059,081	1,130,664
Notes and Loans payable	-	-	-	-	500,000
Other Deposits	-	-	-	-	-
Payroll Liabilities	-	-	-	-	-
Due to Other Funds	7,906,302	8,858,256	8,425,245	1,163,413	1,295,637
Due to Other Governments	3,507,163	1,384,992	1,774,647	2,084,189	1,274,984
Deferred Revenue	8,467,806	8,468,793	16,357,271	24,128,256	14,026,262
Other Liabilities	17,147	2,011,333	1,494,416	1,549,716	1,450,308
<b>TOTAL LIABILITIES</b>	<b><u>\$ 26,431,357</u></b>	<b><u>\$ 27,776,877</u></b>	<b><u>\$ 35,457,471</u></b>	<b><u>\$ 38,069,199</u></b>	<b><u>\$ 31,604,807</u></b>
<b><u>FUND EQUITY</u></b>					
Nonspendable	\$ 199,431	\$ 141,965	\$ 255,850	\$ 260,396	\$ 294,196
Restricted	559,110	519,812	520,017	521,235	543,354
Assigned	-	189,521	72,916	2,143,169	1,572,787
Unassigned	(7,069,033)	(7,881,971)	(6,803,312)	(487,628)	36,046
<b>TOTAL FUND EQUITY</b>	<b><u>(6,310,492)</u></b>	<b><u>(7,030,673)</u></b>	<b><u>(5,954,529)</u></b>	<b><u>2,437,172</u></b>	<b><u>2,446,383</u></b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b><u>\$ 20,120,865</u></b>	<b><u>\$ 20,746,204</u></b>	<b><u>\$ 29,502,942</u></b>	<b><u>\$ 40,506,371</u></b>	<b><u>\$ 34,051,190</u></b>

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

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>REVENUES</b>					
Real Property Taxes and Tax Items	\$ 24,566,797	\$ 24,716,351	\$ 23,647,084	\$ 24,519,551	\$ 26,402,299
Non-Property Tax Items	11,032,603	11,353,823	11,225,738	12,237,342	15,420,712
Intergovernmental Charges	2,073	73,455	57,090	2,694,804	1,989,580
Departmental Income	3,408,233	3,144,695	2,102,121	5,856	42,713
Use of Money & Property	44,531	3,123	52,735	88,726	50,327
Licenses and Permits	763,397	1,460,750	997,498	701,046	891,997
Fines and Forfeitures	1,678,771	1,538,197	1,416,381	1,079,421	818,418
Sale of Property and Compensation for Loss	210,130	241,070	1,047,984	326,430	1,085,762
Miscellaneous	1,303,000	371,662	414,269	1,340,788	1,327,390
Interfund	51,562	1,423,305	1,333,045	116,845	67,090
Revenues from State Sources	5,387,388	5,208,017	5,718,643	6,581,897	6,106,811
Revenues from Federal Sources	270	-	-	3,491,895	4,077,059
<b>Total Revenues</b>	<u>\$48,448,755</u>	<u>\$49,534,448</u>	<u>\$48,012,588</u>	<u>\$53,184,601</u>	<u>\$58,280,158</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 6,487,728	\$ 6,484,170	\$ 6,109,781	\$ 6,729,225	\$ 8,940,320
Public Safety	18,530,307	19,542,931	20,453,025	21,319,045	22,459,397
Health	57,109	53,249	54,477	2,161,915	2,913,375
Economic Assistance & Opportunity	-	3,950	151,431	54,163	56,479
Transportation	2,255,010	3,035,925	1,980,818	196,772	147,942
Culture and Recreation	615,121	735,464	389,759	568,923	746,550
Home and Community Services	271,514	434,425	420,662	472,337	1,315,156
Employee Benefits	14,503,691	14,993,769	15,935,012	16,470,566	17,458,116
Capital Outlay	843,888	119,026	815,996	1,652,686	2,719,118
Debt Service	462,298	462,296	462,296	447,688	555,410
<b>Total Expenditures</b>	<u>\$ 44,026,666</u>	<u>\$ 45,865,205</u>	<u>\$ 46,773,257</u>	<u>\$ 50,073,320</u>	<u>\$ 57,311,863</u>
Excess of Revenues Over (Under) Expenditures	<u>\$4,422,089</u>	<u>\$3,669,243</u>	<u>\$1,239,331</u>	<u>\$3,111,281</u>	<u>\$968,295</u>
Other Financing Sources (Uses):					
Bond Proceeds	-	-	-	-	141,510
Operating Transfers In	3,289,527	1,962,483	2,140,979	2,116,612	4,163,108
Operating Transfers Out	(5,896,816)	(5,111,931)	(4,380,115)	(4,151,749)	(4,328,111)
<b>Total Other Financing</b>	<u>(2,607,289)</u>	<u>(3,149,448)</u>	<u>(2,239,136)</u>	<u>(2,035,137)</u>	<u>(23,493)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$1,814,800</u>	<u>\$519,795</u>	<u>(\$999,805)</u>	<u>\$1,076,144</u>	<u>\$944,802</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	(11,074,487)	(7,053,871)	(6,310,492)	(\$7,030,673)	(\$5,954,529)
Prior Period Adjustments (net)	2,205,816	223,584	279,624	-	7,446,899
<b>Fund Balance - End of Year</b>	<u>\$ (7,053,871)</u>	<u>\$ (6,310,492)</u>	<u>(\$7,030,673)</u>	<u>(\$5,954,529)</u>	<u>\$2,437,172</u>

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

**GENERAL FUND**

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

Fiscal Years Ending	2023			2024	2025
	Adopted Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
<b><u>REVENUES</u></b>					
Real Property Taxes & Tax Items	\$ 26,860,332	\$ 26,860,332	\$ 27,586,822	\$ 30,711,741	\$ 34,106,727
Non-Property Tax Items	16,023,947	16,023,947	14,938,552	14,484,241	16,640,145
Departmental Income	6,618,666	3,186,571	2,478,647	4,487,255	2,632,114
Use of Money and Property	7,400	7,400	631,883	684,155	611,052
Intergovernmental Charges	135,946	135,946	54,842	106,991	114,472
Licenses and Permits	-	806,575	882,189	-	914,440
Fines and Forfeitures	-	2,593,020	922,491	-	1,472,000
Sale of Property and Compensation for Loss	268,500	268,500	383,384	201,250	359,100
Interfund Revenues	1,476,034	1,476,034	2,230,134	1,539,953	2,381,118
Miscellaneous	-	32,500	13,255	-	23,000
Revenues from State Sources	5,931,197	5,931,197	7,282,799	6,287,168	6,793,329
Revenues from Federal Sources	9,061,891	9,061,891	8,179,061	1,630,000	-
<b>Total Revenues</b>	<b>\$ 66,383,913</b>	<b>\$ 66,383,913</b>	<b>\$ 65,584,059</b>	<b>\$ 60,132,754</b>	<b>\$ 66,047,497</b>
<b><u>EXPENDITURES</u></b>					
General Government Support	\$ 15,652,446	\$ 12,929,123	\$ 12,363,580	\$ 12,168,659	\$ 12,068,773
Public Safety	25,286,437	24,342,945	24,080,545	25,505,748	26,897,215
Transportation	4,234,500	4,475,913	4,280,497	4,316,378	5,063,723
Health	64,622	60,086	59,389	71,602	71,433
Economic Assistance & Opportunity	228,307	240,709	240,393	250,591	229,983
Culture and Recreation	803,820	5,688,173	5,687,205	925,550	1,036,592
Home and Community Services	1,553,199	679,131	669,871	1,558,337	1,342,996
Employee Benefits	17,090,184	19,457,347	19,337,892	18,274,501	20,388,955
Capital Outlay	4,797,955	-	-	200,000	350,000
Debt Service	-	599,000	598,389	3,230,771	2,675,050
<b>Total Expenditures</b>	<b>\$ 69,711,470</b>	<b>\$ 68,472,427</b>	<b>\$ 67,317,761</b>	<b>\$ 66,502,137</b>	<b>\$ 70,124,720</b>
Excess of Revenues Over (Under) Expenditures	<u>(3,327,557)</u>	<u>(2,088,514)</u>	<u>(1,733,702)</u>	<u>(6,369,383)</u>	<u>(4,077,223)</u>
Other Financing Sources (Uses):					
Proceeds from Obligations	-	1,618,912	1,618,912	-	-
Operating Transfers In	3,327,557	4,668,557	4,322,927	6,544,202	4,678,706
Operating Transfers Out	-	(4,198,955)	(4,198,926)	(174,819)	-
<b>Total Other Financing</b>	<u>3,327,557</u>	<u>2,088,514</u>	<u>1,742,913</u>	<u>6,369,383</u>	<u>4,678,706</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>9,211</u>	<u>-</u>	<u>601,483</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	-	-	\$2,437,172	-	-
Prior Period Adjustment	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,446,383</b>	<b>\$ -</b>	<b>\$ -</b>

Source: Audited Financial Statements for the 2023 fiscal year and 2024 and 2025 adopted budgets (unaudited) of the City. This Appendix itself is not audited.

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total	Principal of the Bonds	Total Principal All Bonds
2025	\$ 3,133,440	\$ 1,076,275	\$ 4,209,715	\$ -	\$ 3,133,440
2026	3,065,300	975,475	4,040,775	62,571	3,127,871
2027	3,169,440	850,648	4,020,088	85,000	3,254,440
2028	2,934,440	721,352	3,655,792	90,000	3,024,440
2029	2,594,440	618,038	3,212,478	95,000	2,689,440
2030	2,704,440	512,799	3,217,239	95,000	2,799,440
2031	1,959,440	419,983	2,379,423	100,000	2,059,440
2032	1,169,440	364,818	1,534,258	105,000	1,274,440
2033	1,199,440	328,365	1,527,805	110,000	1,309,440
2034	859,440	298,310	1,157,750	115,000	974,440
2035	894,440	274,916	1,169,356	115,000	1,009,440
2036	834,440	251,567	1,086,007	-	834,440
2037	859,440	228,545	1,087,985	-	859,440
2038	879,440	204,246	1,083,686	-	879,440
2039	714,440	183,542	897,982	-	714,440
2040	729,440	166,648	896,088	-	729,440
2041	749,440	149,066	898,506	-	749,440
2042	764,440	130,812	895,252	-	764,440
2043	784,440	111,979	896,419	-	784,440
2044	804,440	92,238	896,678	-	804,440
2045	824,440	71,687	896,127	-	824,440
2046	849,440	50,385	899,825	-	849,440
2047	869,440	28,087	897,527	-	869,440
2048	324,440	15,642	340,082	-	324,440
2049	329,440	13,427	342,867	-	329,440
2050	329,440	10,941	340,381	-	329,440
2051	334,440	8,454	342,894	-	334,440
2052	55,000	5,719	60,719	-	55,000
2053	60,000	2,984	62,984	-	60,000
<b>TOTALS</b>	<b>\$ 34,779,740</b>	<b>\$ 8,166,951</b>	<b>\$ 42,946,691</b>	<b>\$ 972,571</b>	<b>\$ 35,752,311</b>

**FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE BONDS**

This Undertaking to Provide Continuing Disclosure (the "Undertaking") is executed and delivered by the City of Poughkeepsie (the "Issuer") in connection with the issuance by the Issuer of its Public Improvement (Serial) Bonds, Series 2025 in the aggregate principal amount of \$972,571 dated April 24, 2025 (the "Bonds"). The Bonds are being issued pursuant to various bond resolutions of the Issuer described in the Certificate of Determination dated as of April 15, 2025 (the "Resolution"). Pursuant to the Resolution, the Issuer has covenanted and agreed to provide timely notices of the occurrence of certain events, and in that regard hereby covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the Issuer for the benefit of the Bondholder. This Undertaking constitutes the written undertaking required by SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

"Applicable Series" shall mean the Bonds described above and any other obligations made subject to this Undertaking by the Issuer.

"Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with generally accepted accounting principles in effect at the time of the audit ("GAAP") for Governmental Units as Prescribed by the Governmental Accounting Standards Board ("GASB").

"Beneficial Owners" shall mean, with respect to the Applicable Series, persons who have or share investment power, including beneficial owners of any Bonds held by Depository Trust Company.

"Bondholder" means the person in whose name a security is registered.

"EMMA" means the Electronic Municipal Market Access System created by the MSRB, and any successor thereto designated by the SEC for purposes of the Rule.

"Fiscal Year" means the fiscal year of the Issuer, which is currently a calendar year.

"Issuer" means the City of Poughkeepsie, which is the obligated person with respect to the Applicable Series.

"Material Events" shall mean any of the events listed in Section 4 of this Undertaking, if material.

"MSRB" means the Municipal Securities Rulemaking Board, currently located at 1150 18th Street, N.W., Suite 400, Washington, D.C. 20036.

"Official Statement" means the Official Statement prepared and executed by the Issuer in connection with the Applicable Series.

"Repository" shall mean EMMA.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means Securities and Exchange Commission.



SECTION 3. Annual Reports. (a) The Issuer shall, by the end of the sixth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2025, provide to each Repository an Annual Report which is consistent with the requirements of this Section. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) The Annual Report shall be prepared by the Issuer and shall contain or incorporate by reference (I) the annual audited financial statements of the Issuer, unless such audited financial statement shall not be available in which case the unaudited financial statement shall be provided in the form provided to the State, if available, and an audited financial statement shall be delivered to each Repository within sixty (60) days after it becomes available and in no event later than the last business day of each succeeding fiscal year after the end of each fiscal year; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Issuer of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and (II) annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement under the headings "THE CITY", "TAX INFORMATION" "STATUS OF INDEBTEDNESS" "LITIGATION" and all Appendices (other than "APPENDIX C, D, E, F, & G" and any related to bond insurance). Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The Issuer shall provide, in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice to EMMA of any failure to provide the annual financial information required by this section by the date specified.

SECTION 4. Reporting of Significant Events. (a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events, if material:

principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Issuer; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Issuer, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

"Financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

With respect to event (iv) the Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

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

(b) The Issuer shall provide to EMMA timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the Material Events.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall as soon as possible determine if such event would constitute material information for Bondholders of the Applicable Series provided that any event under subsection a(vi) will always be deemed material.

(d) If the Issuer has determined that knowledge of the occurrence of a Material Event would be material, the Issuer shall promptly file a notice of such occurrence with EMMA at EMMA Dataport @ [www.emma.msrb.org](http://www.emma.msrb.org).

**SECTION 5. Termination of Reporting Obligation.** The Issuer's obligations under this Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Applicable Series, or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds.

**SECTION 6. Amendment; Waiver.** The Issuer reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking and any provision of this Undertaking may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule and provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

**SECTION 7. Additional Information.** Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future notice of occurrence of a Material Event.

**SECTION 8. Default.** (a) In the event of a failure of the Issuer to comply with any provision of this Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. (b) Beneficial Owners shall have the right to seek specific performance by court order to cause the Issuer to comply with its obligations to provide notices of Material Events under this Undertaking. (c) A default under this Undertaking shall not be deemed a default under the Applicable Series or the Resolutions, and the sole and exclusive remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel specific performance and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances.

**SECTION 9. Beneficiaries.** This Undertaking shall inure solely to the benefit of the Issuer and the Bondholders from time to time of the Applicable Series (and solely for the purposes set forth in Section 8(b), the Beneficial Owners), and shall create no rights in any other person or entity. In the event of any conflict between the terms of the Resolutions and this Undertaking, the terms of the Resolutions shall control. This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to each then existing Repository, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which required this Undertaking are invalid, have been repealed retroactively or otherwise do not apply to the Applicable Series.

IN WITNESS WHEREOF, the Issuer has executed this Undertaking as of April 24, 2025.

CITY OF POUGHKEEPSIE

BY: \_\_\_\_\_  
Joseph Vita  
Commissioner of Finance

**FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE NOTES**

This Undertaking to Provide Continuing Disclosure (the "Undertaking") is executed and delivered by the City of Poughkeepsie (the "Issuer") in connection with the issuance by the Issuer of its Bond Anticipation Notes, Series 2025 in the aggregate principal amount of \$6,051,378 dated April 24, 2025 (the "Notes"). The Notes are being issued pursuant to bond resolutions of the Issuer described in Exhibit B of the Certificate of Determination dated as of April 15, 2025 (collectively the "Resolution"). The Notes mature less than eighteen months after their date of issue. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide timely notices of the occurrence of certain events, and in that regard hereby covenants and agrees as follows:

**SECTION 1. Purpose of the Undertaking.** This Undertaking is being executed and delivered by the Issuer for the benefit of the Bondholder. This Undertaking constitutes the written undertaking required by SEC Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings;

"Applicable Series" shall mean the Notes described above and any other obligations made subject to this Undertaking by the Issuer.

"Beneficial Owners" shall mean, with respect to the Applicable Series, persons who have or share investment power, including beneficial owners of any Notes held by Depository Trust Company.

"Bondholder" means the person in whose name a security is registered.

"EMMA" means the Electronic Municipal Market Access System created by the MSRB, and any successor thereto designated by the SEC for purposes of the Rule.

"Fiscal Year" means the fiscal year of the Issuer, which is currently a calendar year.

"Issuer" means the City of Poughkeepsie, which is the obligated person with respect to the Applicable Series.

"Material Events" shall mean any of the events listed in Section 4 of this Undertaking, if material.

"MSRB" means the Municipal Securities Rulemaking Board, currently located at 1150 18th Street, N.W., Suite 400, Washington, D.C. 20036.

"Official Statement" means the Official Statement prepared and executed by the Issuer in connection with the Applicable Series.

"Repository" shall mean EMMA.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means Securities and Exchange Commission.

**SECTION 3. [Intentionally Omitted.]**

SECTION 4. Reporting of Significant Events. (a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events, if material:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Applicable Series, or other material events affecting the tax status of the Applicable Series; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Applicable Series, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Issuer; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Issuer, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

"Financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

With respect to event (iv) the Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Applicable Series.

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

(b) The Issuer shall provide to EMMA timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the Material Events.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall as soon as possible determine if such event would constitute material information for Bondholders of the Applicable Series provided that any event under subsection a(vi) will always be deemed material.

(d) If the Issuer has determined that knowledge of the occurrence of a Material Event would be material, the Issuer shall promptly file a notice of such occurrence with EMMA at EMMA Dataport @ [www.emma.msrb.org](http://www.emma.msrb.org).

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Applicable Series, or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Applicable Series.

SECTION 6. Amendment; Waiver. The Issuer reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking and any provision of this Undertaking may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule and provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

SECTION 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future notice of occurrence of a Material Event.

SECTION 8. Default. (a) In the event of a failure of the Issuer to comply with any provision of this Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. (b) Beneficial Owners shall have the right to seek specific performance by court order to cause the Issuer to comply with its obligations to provide notices of Material Events under this Undertaking. (c) A default under this Undertaking shall not be deemed a default under the Applicable Series or the Resolutions, and the sole and exclusive remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel specific performance and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances.

SECTION 9. Beneficiaries. This Undertaking shall inure solely to the benefit of the Issuer and the Bondholders from time to time of the Applicable Series (and solely for the purposes set forth in Section 8(b), the Beneficial Owners), and shall create no rights in any other person or entity. In the event of any conflict between the terms of the Resolutions and this Undertaking, the terms of the Resolutions shall control. This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to each then existing Repository, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which required this Undertaking are invalid, have been repealed retroactively or otherwise do not apply to the Applicable Series.

IN WITNESS WHEREOF, the Issuer has executed this Undertaking as of April 24, 2025.

CITY OF POUGHKEEPSIE

BY: \_\_\_\_\_  
Joseph Vita  
Commissioner of Finance

**FORM OF BOND COUNSEL OPINION IN CONNECTION WITH  
\$972,571 PUBLIC IMPROVEMENT (SERIAL) BONDS, SERIES 2025**

Upon delivery of the Bonds at the Closing Date, Rodenhausen Chale & Polidoro LLP, Rhinebeck, NY, Bond Counsel to the City, proposes to issue its approving opinion as to the Bonds in substantially the following form:

April 24, 2025

City of Poughkeepsie  
Municipal Building  
62 Civic Center Plaza  
Poughkeepsie, New York 12601

Re: City of Poughkeepsie  
Dutchess County, New York  
\$972,571 Public Improvement (Serial) Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the City of Poughkeepsie, Dutchess County, New York (the "Issuer") in connection with the issuance of its Public Improvement (Serial) Bonds, Series 2025, dated April 24, 2025, in the aggregate principal amount of \$972,571 (the "Bonds").

We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. In our examination, we have assumed the genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Based upon our examination of the foregoing and subject to the limitations contained herein, we are of the opinion that, under existing law,

(1) The Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute the valid and legally binding general obligations of the Issuer, for the payment of which the Issuer has validly pledged its faith and credit, and all the taxable real property within the boundaries of the Issuer is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain statutory limitations which may be imposed by Chapter 97 of the Laws of 2011, as amended.

(2) Interest on the Bonds is not includable in gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an "item of tax preference" for the purposes of the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remains excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, restrictions on the investment and use of proceeds of the Bonds and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Bonds to become subject to Federal income taxes retroactive to the date of issue of the Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. On the date of issuance of the Bonds, the Issuer will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Bonds which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificate will include the Issuer's certification to the effect that the Issuer will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds is not included in gross income.

In rendering the opinion set forth in this paragraph 2, we have relied upon and assumed the material accuracy of the Issuer's certifications, statements of intention and reasonable expectation, and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the status of interest on the Bonds and compliance by the Issuer with the procedures and certifications set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

(3) Interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as set forth in paragraphs 2 and 3 above, we express no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally heretofore or hereafter enacted, and by equitable principles, whether considered at law or in equity.

The scope of our engagement as bond counsel in relation to the issuance of the Bonds has extended solely to rendering the opinions expressed herein, and the opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Bonds as the same respectively become due and payable. We have not been asked to and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement, or any other offering materials which may have been furnished to the purchasers of the Bonds, and we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. We express no opinion as to the Bonds or the interest thereon if any change occurs or action is taken upon the advice or approval of counsel other than Rodenhausen Chale & Polidoro LLP.

**FORM OF BOND COUNSEL'S OPINION IN CONNECTION WITH  
\$6,051,378 BOND ANTICIPATION NOTES, SERIES 2025**

Upon delivery of the Notes at the Closing Date, Rodenhausen Chale & Polidoro LLP, Rhinebeck, NY, Bond Counsel to the City, proposes to issue its approving opinion as to the Notes in substantially the following form:

April 24, 2025

City of Poughkeepsie  
Municipal Building  
62 Civic Center Plaza  
Poughkeepsie, New York 12601

Re: City of Poughkeepsie  
Dutchess County, New York  
\$6,051,378 Bond Anticipation Notes, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the City of Poughkeepsie, Dutchess County, New York (the "Issuer") in connection with the issuance of its Bond Anticipation Notes, Series 2025 in the aggregate principal amount of \$6,051,378 (the "Notes").

The Notes are dated April 24, 2025, bear interest at the rate of \_\_\_\_% per annum, are payable at maturity and mature April 24, 2026.

We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. In our examination, we have assumed the genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Based upon our examination of the foregoing and subject to the limitations contained herein, we are of the opinion that, under existing law,

(1) The Notes have been duly authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute the valid and legally binding general obligations of the Issuer, for the payment of which the Issuer has validly pledged its faith and credit, and all the taxable real property within the boundaries of the Issuer is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain statutory limitations which may be imposed by Chapter 97 of the Laws of 2011, as amended.

(2) Interest on the Notes is not includable in gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an "item of tax preference" for the purposes of the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.



The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remains excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Notes to become subject to Federal income taxes retroactive to the date of issue of the Notes, irrespective of the date on which such noncompliance occurs or is ascertained. On the date of issuance of the Notes, the Issuer will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Notes which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificate will include the Issuer's certification to the effect that the Issuer will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is not included in gross income.

In rendering the opinion set forth in this paragraph 2, we have relied upon and assumed the material accuracy of the Issuer's certifications, statements of intention and reasonable expectation, and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the status of interest on the Notes and compliance by the Issuer with the procedures and certifications set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

(3) Interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as set forth in paragraphs 2 and 3 above, we express no opinion regarding other federal, state or local tax consequences arising with respect to the Notes or the ownership or disposition thereof.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally heretofore or hereafter enacted, and by equitable principles, whether considered at law or in equity.

The scope of our engagement as bond counsel in relation to the issuance of the Notes has extended solely to rendering the opinions expressed herein, and the opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Notes as the same respectively become due and payable. We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering materials which may have been furnished to the purchasers of the Notes and we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. We express no opinion as to the Notes or the interest thereon if any change occurs or action is taken upon the advice or approval of counsel other than Rodenhausen Chale & Polidoro LLP.

**CITY OF POUGHKEEPSIE  
DUTCHESS COUNTY, NEW YORK**

**AUDITED FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

FINANCIAL REPORT  
AUDITED  
**CITY OF POUGHKEEPSIE, NEW YORK**  
For the Year Ended December 31, 2023

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# CITY OF POUGHKEEPSIE, NEW YORK

## TABLE OF CONTENTS

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<b>FINANCIAL SECTION</b>	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	1 – 3
<b>Management's Discussion and Analysis</b>	4 – 11
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	12 – 13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Total Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Notes to Basic Financial Statements	19 – 47

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	<b><u>Page</u></b>
<b>Required Supplementary Information</b>	
Schedule of Changes in the City’s Net OPEB Liability and Related Ratios	48
Schedule of the City’s Proportionate Share of the Net Pension Liability and Related Ratios	49
Schedule of Employer Contributions	50
Schedule of Revenues and Expenditures Compared to Budget – General Fund	51
<b>Other Supplementary Information</b>	
Combining Balance Sheets – Non-major Governmental Funds	52
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	53
Schedule of Indebtedness	54 – 55



## Independent Auditor's Report

Members of the Common Council  
City of Poughkeepsie, New York

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Poughkeepsie, New York (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Poughkeepsie Housing Authority and the City of Poughkeepsie Industrial Development Agency which are shown as discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, are based solely on the reports of the other auditors.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matters***

##### *Correction of Misstatements*

As discussed in Note XVIII to the financial statements, the 2022 financial statements of the governmental activities, capital projects fund and non-major governmental funds have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

##### *New Accounting Standard*

As discussed in Note XVII to the financial statements, in 2023, the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents on pages 4 to 9 and 47 to 50, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual balance sheets – non major governmental funds, combining and individual statements of revenues, expenditures, and changes in fund balances – non major governmental funds, and schedule of indebtedness on pages 48 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual balance sheets – non major governmental funds, combining and individual statements of revenues, expenditures, and changes in fund balances – non major governmental funds, and schedule of indebtedness are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*BST & Co. CPAs, LLP*

Latham, New York  
November 7, 2024





**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The accompanying management discussion and analysis of the City of Poughkeepsie, New York (City) financial performance has been prepared to provide an overview of the City's financial activities for the year ended December 31, 2023. This discussion and analysis is only an introduction and should be read in conjunction with the City's financial statements.

Requests For Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the City.

**2023 Financial Highlights**

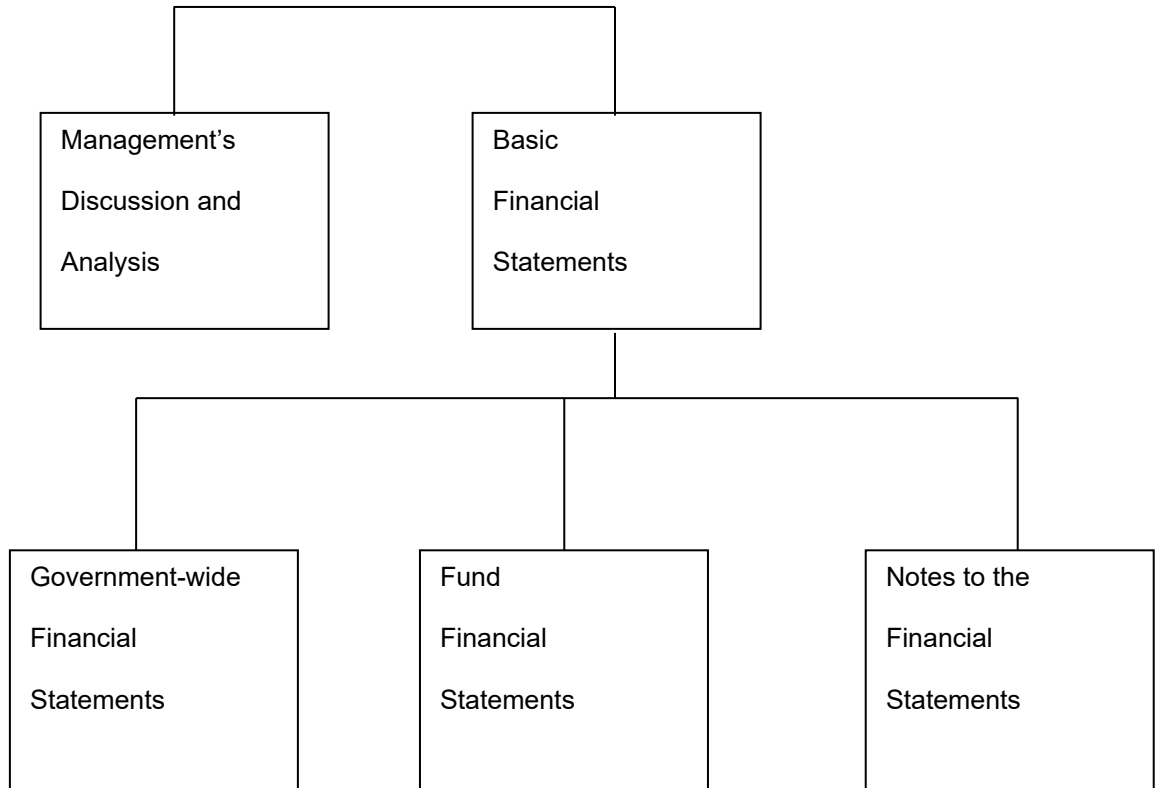
- The City's Governmental Activities net position (defined as assets plus deferred outflows of resources less liabilities and deferred inflows of resources) at December 31, 2023 was (\$72,466,966).
- The Governmental Activities total net position decreased by \$12,642,126 during the year ended December 31, 2023.
- At December 31, the City's proportionate share of the net pension liability for the ERS and PFRS retirement systems was \$7,963,607 and \$19,297,826, respectively.
- As of the close of the year, the City's Governmental Funds reported an ending fund balance deficit of \$798,408, an increase of \$5,839,805 during the year.
- During 2023, the City utilized \$7,970,699 of American Rescue Plan Act ("ARPA") funding received in prior years.

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Overview of the Financial Statements**

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

Required Components of the City’s Basic Financial Statements



**Basic Financial Statements**

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City’s financial status.

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

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

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Government-wide Financial Statements**

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

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources, less the City's total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

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

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as New York State General Municipal Law and local finance law or the City's budget ordinance.

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

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

**Notes to the Financial Statements**

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

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS  
CONDENSED STATEMENT OF NET POSITION**

	<b>2023</b>	<b>Restated 2022</b>	<b>\$ Change</b>	<b>% Change</b>
Current and Other Assets	\$ 52,208,559	\$ 63,190,615	\$ (10,982,056)	-17.38%
Capital Assets	116,433,330	116,096,260	337,070	0.29%
Total Assets	<u>168,641,889</u>	<u>179,286,875</u>	<u>(10,644,986)</u>	<u>-5.94%</u>
Deferred Outflows of Resources	<u>36,057,461</u>	<u>41,431,467</u>	<u>(5,374,006)</u>	<u>-12.97%</u>
Other Liabilities	23,644,058	23,623,550	20,508	0.09%
Long-Term Liabilities	219,897,746	208,868,131	11,029,615	5.28%
Total Liabilities	<u>243,541,804</u>	<u>232,491,681</u>	<u>11,050,123</u>	<u>4.75%</u>
Deferred Inflows of Resources	<u>33,624,512</u>	<u>47,926,501</u>	<u>(14,301,989)</u>	<u>-29.84%</u>
Net Position:				
Net Investment in Capital Assets	67,395,444	58,421,795	8,973,649	15.36%
Restricted	730,616	682,457	48,159	7.06%
Unrestricted	(140,593,026)	(118,804,092)	(21,788,934)	-18.34%
Total Net Position	<u>\$ (72,466,966)</u>	<u>\$ (59,699,840)</u>	<u>\$ (12,767,126)</u>	<u>-21.39%</u>

**Management’s Explanation of Significant Changes**

Long-term liabilities, deferred outflows of resources, and deferred inflows of resources changes resulted primarily from retirement and other postemployment benefits (OPEB) adjustments. These amounts were computed by outside actuaries.

The City’s current and other assets decreased by \$10.9 million, primarily due to a \$7.2 million decrease in unspent ARPA proceeds.

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS  
CONDENSED STATEMENT OF ACTIVITIES**

	2023	%	Restated 2022	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 23,752,725	25.64%	\$ 23,306,741	25.92%	\$ 445,984	1.91%
Operating Grants	17,758,865	19.17%	12,321,812	13.70%	5,437,053	44.13%
Capital Grants	2,998,666	3.24%	4,072,922	4.53%	(1,074,256)	-26.38%
General Revenues:						
Real Property Taxes	25,308,542	27.32%	25,793,370	28.69%	(484,828)	-1.88%
Real Property Tax Items	1,265,233	1.37%	1,214,863	1.35%	50,370	4.15%
Non Property Taxes	14,167,789	15.29%	15,420,712	17.15%	(1,252,923)	-8.12%
Use of Money and Property	962,999	1.04%	121,504	0.14%	841,495	692.57%
Intergovernmental Charges	1,161,940	1.25%	950,523	1.06%	211,417	22.24%
State and Federal Aid	4,876,795	5.26%	5,347,310	5.95%	(470,515)	-8.80%
Sale of Property and Compensation for Loss	43,075	0.05%	989,548	1.10%	(946,473)	-95.65%
Miscellaneous	335,863	0.36%	370,301	0.41%	(34,438)	-9.30%
Total Revenues	<u>92,632,492</u>	<u>100.00%</u>	<u>89,909,606</u>	<u>100.00%</u>	<u>2,722,886</u>	<u>3.03%</u>
Expenses:						
General Government Support	17,932,100	17.03%	18,590,818	17.14%	(658,718)	-3.54%
Public Safety	48,512,637	46.08%	54,685,526	50.43%	(6,172,889)	-11.29%
Health	124,609	0.12%	136,488	0.13%	(11,879)	-8.70%
Transportation	6,987,494	6.64%	7,724,130	7.12%	(736,636)	-9.54%
Economic Assistance	1,383,867	1.31%	1,291,416	1.19%	92,451	7.16%
Culture and Recreation	4,219,066	4.01%	1,878,992	1.73%	2,340,074	124.54%
Home and Community Service	24,654,519	23.42%	22,790,415	21.02%	1,864,104	8.18%
Debt Service	1,460,326	1.39%	1,343,566	1.24%	116,760	8.69%
Total Expenses	<u>105,274,618</u>	<u>100.00%</u>	<u>108,441,351</u>	<u>100.00%</u>	<u>(3,166,733)</u>	<u>-2.92%</u>
Decrease in Net Position	<u>\$ (12,642,126)</u>		<u>\$ (18,531,745)</u>			

**Management's Explanation of Significant Changes**

The City's total governmental activity revenues increased by \$2.7 million from 2022 to 2023, primarily due to a \$4.0 million increase in ARPA grant revenue. Governmental expenses decreased by \$3.2 million in total from 2022 to 2023, primarily due to an \$6.2 million decrease in Public Safety, due to decreases in pension and OPEB costs, offset by \$4.2 million increases in Culture and Recreation and Home and Community Service, primarily due to ARPA funded programs.

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENTAL FUND FINANCIAL ANALYSIS  
CONDENSED BALANCE SHEET**

	<b>2023</b>	<b>Restated 2022</b>	<b>\$ Change</b>	<b>% Change</b>
<b>ASSETS</b>				
General Fund	\$ 34,051,190	\$ 40,506,371	\$ (6,455,181)	-15.94%
Capital Projects Fund	4,190,766	6,175,513	(1,984,747)	-32.14%
Debt Service Fund	4,494,015	4,924,740	(430,725)	-8.75%
Non-Major Governmental Funds	24,048,887	22,611,476	1,437,411	6.36%
Total Assets	<u>66,784,858</u>	<u>74,218,100</u>	<u>(7,433,242)</u>	<u>-10.02%</u>
<b>LIABILITIES</b>				
General Fund	17,578,545	13,940,943	3,637,602	26.09%
Capital Projects Fund	14,136,056	18,329,118	(4,193,062)	-22.88%
Debt Service Fund	-	1,970	(1,970)	-100.00%
Non-Major Governmental Funds	15,581,466	12,526,713	3,054,753	24.39%
Total Liabilities	<u>47,296,067</u>	<u>44,798,744</u>	<u>2,497,323</u>	<u>5.57%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
General Fund	14,026,262	24,128,256	(10,101,994)	-41.87%
Capital Projects Fund	73,337	791,090	(717,753)	-90.73%
Debt Service Fund	4,425,000	4,810,000	(385,000)	-8.00%
Non-Major Governmental Funds	1,762,600	6,328,223	(4,565,623)	-72.15%
Total Deferred Inflows of Resources	<u>20,287,199</u>	<u>36,057,569</u>	<u>(15,770,370)</u>	<u>-43.74%</u>
<b>FUND BALANCE</b>				
General Fund	2,446,383	2,437,172	9,211	0.38%
Capital Projects Fund	(10,018,627)	(12,944,695)	2,926,068	-22.60%
Debt Service Fund	69,015	112,770	(43,755)	-38.80%
Non-Major Governmental Funds	6,704,821	3,756,540	2,948,281	-78.48%
Total Fund Balances	<u>\$ (798,408)</u>	<u>\$ (6,638,213)</u>	<u>\$ 5,839,805</u>	<u>87.97%</u>

**Management's Explanation of Significant Changes**

*General Fund* - Assets and deferred inflows decreased primarily due to a \$7.2 million decrease in unspent ARPA funds. Liabilities increased due to a \$3.9 million increase in accounts payable, primarily related to projects funded with ARPA grants.

*Capital Projects Fund* - Assets decreased due to cash outlays for project expenditures. Liabilities decreased due to converting \$2.2 million of short-term BAN financing to long-term bond financing. Deferred inflows decreased due to more timely collections of project receivables.

*Debt Service Fund* - Assets and deferred inflows of resources decreased due to \$385,000 paydown of Library pass-through debt.

*Non-Major Governmental Funds* - Assets increased due to a \$2 million increase in receivables. Liabilities increased due to increases in Accounts Payable and Due to Other Funds. Deferred inflows decreased due to Water, Sewer, and Sanitation delinquent receivables being relieved on property tax bills and an overall increase in timeliness of collections.

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENTAL FUND FINANCIAL ANALYSIS  
CONDENSED STATEMENT OF REVENUES AND EXPENDITURES**

	2023	Restated 2022	\$ Change	% Change
REVENUES				
General Fund	\$ 65,584,059	\$ 58,280,158	\$ 7,303,901	12.53%
Capital Projects Fund	1,899,363	1,618,920	280,443	17.32%
Debt Service Fund	654,674	658,165	(3,491)	-0.53%
Non-Major Governmental Funds	32,750,192	26,755,576	5,994,616	22.41%
Total Revenues	<u>100,888,288</u>	<u>87,312,819</u>	<u>13,575,469</u>	<u>15.55%</u>
EXPENDITURES				
General Fund	67,317,761	57,311,863	10,005,898	17.46%
Capital Projects Fund	1,272,575	3,612,545	(2,339,970)	-64.77%
Debt Service Fund	7,714,599	7,523,633	190,966	2.54%
Non-Major Governmental Funds	24,377,225	21,154,398	3,222,827	15.23%
Total Expenditures	<u>100,682,160</u>	<u>89,602,439</u>	<u>11,079,721</u>	<u>12.37%</u>
OTHER FINANCING SOURCES/(USES)				
General Fund	1,742,913	(23,493)	1,766,406	-7518.86%
Capital Projects Fund	2,299,280	8,975,100	(6,675,820)	-74.38%
Debt Service Fund	7,016,170	6,865,763	150,407	2.19%
Non-Major Governmental Funds	(5,424,686)	(6,650,721)	1,226,035	-18.43%
Total Other Financing Sources/(Uses)	<u>5,633,677</u>	<u>9,166,649</u>	<u>(3,532,972)</u>	<u>-38.54%</u>
CHANGE IN FUND BALANCE				
General Fund	9,211	944,802	(935,591)	-99.03%
Capital Projects Fund	2,926,068	6,981,475	(4,055,407)	-58.09%
Debt Service Fund	(43,755)	295	(44,050)	-14932.20%
Non-Major Governmental Funds	2,948,281	(1,049,543)	3,997,824	380.91%
Total Change in Fund Balances	<u>\$ 5,839,805</u>	<u>\$ 6,877,029</u>	<u>\$ (1,037,224)</u>	<u>15.08%</u>

**Management's Explanation of Significant Changes**

*General Fund* – Revenues increased primarily due to a \$5.3 million increase in federal and state grant funding. Expenditures increased due to a \$3.8 million increase in capital outlay and a \$5.5 million increase in retirement expenditures.

*Capital Projects Fund* - Expenditures decreased due to the near completion of several large projects in 2022. Other financing sources decreased because a \$7.9 BAN was converted to a bond in 2022.

*Debt Service Fund* – No significant changes from prior year.

*Non-Major Governmental Funds* – Revenues increased due to the recognition of \$4 million of water, sewer, and sanitation receivables that were deferred in prior years. Expenses primarily increased due to increased water, sewer, and sanitation operating costs.

**CITY OF POUGHKEEPSIE, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Capital Asset and Debt Administration – Governmental Activities**

**Capital Assets:** The City's capital assets for its governmental activities as of December 31, 2023 totaled \$116,433,330 (net of accumulated depreciation). These assets include land, buildings, improvements, machinery & equipment, roads & infrastructure and construction in progress.

**Debt:** As of December 31, 2023, the City had total debt outstanding for its governmental activities of \$52,317,238. This amount includes bond anticipation notes, serial bonds, installment purchase debt, lease and SBITA liabilities, and retirement system obligations, but does not include bond premiums. The debt is backed by the full faith and credit of the City. The City's debt decreased by \$2,869,415 during the 2023 year.

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



**CITY OF POUGHKEEPSIE, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>COMPONENT UNITS</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 12,465,412	\$ 1,627,047
Restricted Cash (Note I.H.)	7,710,639	-
Accounts Receivable	18,643,617	281,688
Mortgage Loans Receivable	229,652	-
Due from Other Governments	8,047,188	-
State and Federal Receivables	2,642,799	-
Prepaid Expenses	362,705	82,744
Lease Receivable (Note IV)	227,881	-
Due from Town of Poughkeepsie (Note XIV)	1,878,666	-
	<u>52,208,559</u>	<u>1,991,479</u>
Capital Assets, not being depreciated	23,997,558	-
Capital Assets, being depreciated, net	92,435,772	4,797,132
Total Capital Assets, net (Note III)	<u>116,433,330</u>	<u>4,797,132</u>
Other Assets	-	490,146
Total Assets	<u>168,641,889</u>	<u>7,278,757</u>
<b>Deferred Outflows of Resources</b>		
Pensions (Note V)	22,624,188	662,007
OPEB (Note VI)	13,433,273	349,572
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>204,699,350</u>	<u>8,290,336</u>

See accompanying notes to basic financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**STATEMENT OF NET POSITION - CONTINUED**  
**DECEMBER 31, 2023**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>COMPONENT UNITS</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 14,882,280	\$ 94,333
Accrued Liabilities	1,903,767	47,416
Tenant Security Deposits	-	142,613
Due to Other Governments	1,344,989	-
Other Current Liabilities	1,818,022	318,076
Tax Anticipation Note Payable	500,000	-
Bond Anticipation Notes Payable (Note VII)	3,195,000	-
Noncurrent Liabilities:		
Due and Payable Within One Year:		
Installment Purchase Debt (Note VIII)	98,507	-
Short-Term Lease Liability (Note VIII)	256,645	-
Short-Term SBITA Liability (Note VIII)	219,983	-
NYS Retirement System Obligations (Note VIII)	120,221	-
Landfill Remediation Liability (Note VIII)	5,600	-
Bonds Payable (Note VIII)	4,258,145	152,519
Compensated Absence Liability (Note VIII)	986,838	-
Judgments and Claims (Note VIII)	1,240,000	-
Due and Payable More Than One Year:		
Bond Anticipation Notes Payable (Note VII)	8,042,214	-
Installment Purchase Debt (Note VIII)	101,050	-
Lease Liability (Note VIII)	618,799	-
SBITA Liability (Note VIII)	713,789	-
NYS Retirement System Obligations (Note VIII)	52,950	-
Share of Net Pension Liability - ERS (Note IV)	7,963,607	-
Share of Net Pension Liability - PFRS (Note V)	19,297,826	-
Compensated Absence Liability (Note VIII)	8,881,545	163,383
Landfill Remediation Liability (Note VIII)	173,690	-
Bonds Payable (Note VIII)	35,727,532	107,010
Other Postemployment Benefits (Note VI)	131,138,805	2,305,353
Total Liabilities	<u>243,541,804</u>	<u>3,330,703</u>
<b>Deferred Inflows of Resources</b>		
Other	5,436,008	-
Pensions (Note V)	846,125	899,410
Other Postemployment Benefits (Note VI)	27,342,379	1,321,688
Total Deferred Inflows of Resources	<u>33,624,512</u>	<u>2,221,098</u>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	<u>277,166,316</u>	<u>5,551,801</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	67,395,444	4,797,132
Restricted	730,616	24,232
Unrestricted	(140,593,026)	(2,082,829)
<b>TOTAL NET POSITION</b>	<u>\$ (72,466,966)</u>	<u>\$ 2,738,535</u>

See accompanying notes to basic financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government Support	\$ 17,932,100	\$ 2,554,395	\$ 8,204,061	\$ -	\$ (7,173,644)	\$ -
Public Safety	48,512,637	448,852	210,282	159,416	(47,694,087)	-
Health	124,609	140,754	80,738	-	96,883	-
Transportation	6,987,494	2,182,454	-	2,256,820	(2,548,220)	-
Economic Assistance and Opportunity	1,383,867	-	-	-	(1,383,867)	-
Culture and Recreation	4,219,066	60,321	450,000	-	(3,708,745)	-
Home and Community Services	24,654,519	18,365,949	8,813,784	582,430	3,107,644	-
Interest on Long-Term Debt	1,460,326	-	-	-	(1,460,326)	-
<b>Total Primary Government</b>	<b>\$ 105,274,618</b>	<b>\$ 23,752,725</b>	<b>\$ 17,758,865</b>	<b>\$ 2,998,666</b>	<b>(60,764,362)</b>	<b>-</b>
<b>Component Units:</b>						
Poughkeepsie Housing Authority	\$ 20,824,699	\$ 2,081,982	\$ 4,366,822	\$ 605,127	-	(13,770,768)
City of Poughkeepsie IDA	27,256	40,008	-	-	-	12,752
<b>Total Component Units</b>	<b>\$ 20,851,955</b>	<b>\$ 2,121,990</b>	<b>\$ 4,366,822</b>	<b>\$ 605,127</b>	<b>-</b>	<b>(13,758,016)</b>
<b>General Revenues:</b>						
Real Property Taxes					25,308,542	-
Real Property Tax Items					1,265,233	-
Non-Property Taxes					14,167,789	-
Use of Money and Property					962,999	6,145
Sale of Property and Compensation for Loss					43,075	-
Miscellaneous					335,863	355,042
Intergovernmental Charges					1,161,940	-
State and Federal Aid					4,876,795	-
<b>Total General Revenues</b>					<b>48,122,236</b>	<b>361,187</b>
<b>Change in Net Position</b>					<b>(12,642,126)</b>	<b>(13,396,829)</b>
Net Position - Beginning, as Previously Stated					(59,651,487)	16,135,364
Prior Period Adjustment (Note XVIII)					(173,353)	-
Net Position - Beginning, as Restated					<b>(59,824,840)</b>	<b>16,135,364</b>
Net Position - Ending					<b>\$ (72,466,966)</b>	<b>\$ 2,738,535</b>

See accompanying notes to the financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	<b>GENERAL FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>NON-MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,624,301	\$ 2,936,016	\$ -	\$ 7,905,095	\$ 12,465,412
Restricted Cash (Note I.H.)	7,523,377	69,795	69,015	48,452	7,710,639
Receivables:					
Taxes	8,375,610	-	-	-	8,375,610
Charges for Services	268,560	-	-	9,290,079	9,558,639
Other	638,074	-	-	71,294	709,368
Mortgage Loans Receivable	-	-	-	229,652	229,652
Due from Other Funds (Note II)	11,484,134	795,741	-	4,175,090	16,454,965
Due from Other Governments	2,521,731	-	4,425,000	1,100,457	8,047,188
State and Federal Receivable	1,093,326	389,214	-	1,160,259	2,642,799
Lease Receivable (Note IV)	227,881	-	-	-	227,881
Prepaid Expenditures	294,196	-	-	68,509	362,705
<b>Total Assets</b>	<b>\$34,051,190</b>	<b>\$ 4,190,766</b>	<b>\$ 4,494,015</b>	<b>\$ 24,048,887</b>	<b>\$ 66,784,858</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$11,926,952	\$ 141,622	\$ -	\$ 2,813,706	\$ 14,882,280
Accrued Liabilities	1,130,664	-	-	159,155	1,289,819
Tax Anticipation Note Payable	500,000	-	-	-	500,000
Bond Anticipation Notes Payable (Note VII)	-	11,237,214	-	-	11,237,214
Due to Other Funds (Note II)	1,295,637	2,757,220	-	12,402,108	16,454,965
Due to Other Governments	1,274,984	-	-	70,005	1,344,989
Other Liabilities	1,450,308	-	-	136,492	1,586,800
<b>Total Liabilities</b>	<b>17,578,545</b>	<b>14,136,056</b>	<b>-</b>	<b>15,581,466</b>	<b>47,296,067</b>
Deferred Inflows of Resources	14,026,262	73,337	4,425,000	1,762,600	20,287,199
Fund Balance:					
Nonspendable	294,196	-	-	68,509	362,705
Restricted	543,354	69,795	69,015	48,452	730,616
Assigned	1,572,787	-	-	9,739,727	11,312,514
Unassigned	36,046	(10,088,422)	-	(3,151,867)	(13,204,243)
<b>Total Fund Balance</b>	<b>2,446,383</b>	<b>(10,018,627)</b>	<b>69,015</b>	<b>6,704,821</b>	<b>(798,408)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$34,051,190</b>	<b>\$ 4,190,766</b>	<b>\$ 4,494,015</b>	<b>\$ 24,048,887</b>	<b>\$ 66,784,858</b>

See accompanying notes to the financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK  
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

Total fund balances in the governmental fund financial statements	\$ (798,408)
This amount differs from amounts reported in the governmental activities due to the following:	
Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation	116,433,330
Net receivables for revenues earned and measurable but not available to provide financial resources are reported as deferred inflows of resources in the governmental funds, and revenues in the government-wide statement of activities	14,851,191
Individuals working in the Poughkeepsie Joint Water Project are considered employees of the City and are included in the calculation of the City's net pension liability and other postemployment benefits. This amount represents the Town of Poughkeepsie's portion of those deferred outflows of resources, liabilities, and deferred inflows of resources are allocated and charged to the Joint Water Project.	1,878,666
Deferred outflows of resources and deferred inflows of resources for the net pension liability are included in the government-wide financial statements:	
Deferred inflows of resources - pensions	(846,125)
Deferred outflows of resources - pensions	22,624,188
Current liabilities for interest payable on bonded indebtedness and retainage payable on capital projects are included in the government-wide financial statements	(845,170)
Deferred inflows of resources for other postemployment benefits are included in the government-wide financial statements	
Deferred inflows of resources - other postemployment benefits	(27,342,379)
Deferred outflows of resources - other postemployment benefits	13,433,273
Liabilities for bonded debt and related premiums are included as liabilities in the government-wide financial statements	(39,985,677)
Liabilities for installment purchase debt are included in the government-wide financial statements	(199,557)
Liabilities for lease liabilities are included in the government-wide financial statements	(875,444)
Liabilities for subscription based IT arrangements are included in the government-wide financial statement	(933,772)
Liabilities for compensated absences are included in the government-wide financial statements	(9,868,383)
City's portions of the net pension asset/(liability) are included in the government-wide financial statements	(27,261,433)
Liabilities for NYS Retirement System Obligations are included in the government-wide financial statement	(173,171)
Judgement and claims liabilities are included in the government-wide financial statements	(1,240,000)
Landfill remediation liabilities are included in the government-wide financial statements	(179,290)
Other postemployment benefit liabilities are included in the government-wide financial statements	<u>(131,138,805)</u>
Net position in the government-wide financial statements	<u>\$ (72,466,966)</u>

See accompanying notes to the financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Real Property Taxes	\$ 26,381,589	\$ -	\$ -	\$ -	\$ 26,381,589
Real Property Tax Items	1,205,233	-	-	-	1,205,233
Non Property Tax Items	14,938,552	-	-	-	14,938,552
Departmental Income	2,478,647	-	-	20,654,969	23,133,616
Intergovernmental Charges	54,842	-	580,813	1,501,694	2,137,349
Use of Money and Property	631,883	168,334	73,861	388,639	1,262,717
Licenses and Permits	882,189	-	-	-	882,189
Fines and Forfeitures	922,491	-	-	7,422	929,913
Sale of Property and Compensation for Loss	383,384	-	-	-	383,384
Miscellaneous	13,255	-	-	492,241	505,496
Interfund Revenues	2,230,134	-	-	-	2,230,134
State Aid	7,282,799	1,066,332	-	764,206	9,113,337
Federal Aid	8,179,061	664,697	-	8,941,021	17,784,779
<b>Total Revenues</b>	<b>65,584,059</b>	<b>1,899,363</b>	<b>654,674</b>	<b>32,750,192</b>	<b>100,888,288</b>
Expenditures:					
General Government Support	10,472,447	7,868	123,374	2,574,478	13,178,167
Public Safety	23,826,171	-	-	274,037	24,100,208
Public Health	59,389	-	-	-	59,389
Transportation	2,708,040	-	-	15,318	2,723,358
Economic Assistance and Opportunity	240,393	-	-	-	240,393
Culture and Recreation	2,980,140	-	-	506,028	3,486,168
Home and Community Services	101,681	-	-	18,061,287	18,162,968
Employee Benefits	19,337,892	-	-	1,176,767	20,514,659
Capital Outlay	6,541,255	1,264,707	-	1,769,310	9,575,272
Debt Service	1,050,353	-	7,591,225	-	8,641,578
<b>Total Expenditures</b>	<b>67,317,761</b>	<b>1,272,575</b>	<b>7,714,599</b>	<b>24,377,225</b>	<b>100,682,160</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(1,733,702)</b>	<b>626,788</b>	<b>(7,059,925)</b>	<b>8,372,967</b>	<b>206,128</b>
Other Financing Sources/(Uses):					
BANS Redeemed from Appropriations	-	650,932	-	-	650,932
Proceeds from Obligations	1,618,912	3,258,860	-	-	4,877,772
Premium on Debt Issuance	-	-	104,973	-	104,973
Operating Transfers In	4,322,927	171,399	6,911,197	3,565,501	14,971,024
Operating Transfers Out	(4,198,926)	(1,781,911)	-	(8,990,187)	(14,971,024)
<b>Total Other Financing Sources/(Uses)</b>	<b>1,742,913</b>	<b>2,299,280</b>	<b>7,016,170</b>	<b>(5,424,686)</b>	<b>5,633,677</b>
<b>Change in Fund Balances</b>	<b>9,211</b>	<b>2,926,068</b>	<b>(43,755)</b>	<b>2,948,281</b>	<b>5,839,805</b>
Fund Balances - Beginning, as Previously Stated	2,437,172	(12,730,989)	112,770	3,929,893	(6,251,154)
Prior Period Adjustment (Note XVIII)	-	(213,706)	-	(173,353)	(387,059)
<b>Fund Balances - Beginning, as Restated</b>	<b>2,437,172</b>	<b>(12,944,695)</b>	<b>112,770</b>	<b>3,756,540</b>	<b>(6,638,213)</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,446,383</b>	<b>\$ (10,018,627)</b>	<b>\$ 69,015</b>	<b>\$ 6,704,821</b>	<b>\$ (798,408)</b>

See accompanying notes to the financial statements.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances of governmental funds \$ 5,839,805

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay expenditures capitalized	7,890,965	
Loss on disposal of assets	(344,934)	
Depreciation and amortization expense	<u>(8,527,908)</u>	(981,877)

Debt issuances and related repayment of bond principal is an other financing source and expenditure in the governmental funds, respectively. The issuance and repayment of debt increases and decreases long-term liabilities in the government-wide financial statements, respectively.

Issuance of debt and related premiums	(3,363,833)	
Reimbursement for Library debt principal	(385,000)	
Repayment of debt	<u>5,316,440</u>	1,567,607

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Installment Purchase Debt	96,028	
NYS Retirement System Obligations	566,533	
Lease Contracts	160,513	
SBITA Contracts	209,922	
Pension Liability and related deferred amounts	(3,019,951)	
Judgements and Claims	171,000	
Other Postemployment Benefits and related deferred amounts	(9,647,529)	
Accrued Interest and Amortization of Debt Premiums	(14,929)	
Landfill Costs	152,330	
Compensated Absences	<u>(411,529)</u>	(11,737,612)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue (7,330,049)

Change in net position of governmental activities \$ (12,642,126)

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Poughkeepsie, New York (the “City”), a municipal corporation, was incorporated in 1854, under the provisions of the State of New York. The City operates under a Council-Mayor form of government, which performs legal government functions within its jurisdiction, including public safety, health, and economic assistance and opportunity.

The City, for financial purposes, includes all of the funds relevant to the operations of the City. The financial statements include organizations, functions and activities that are controlled by or dependent upon the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing Common Council.

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

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based on the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City’s reporting entity.

The following entities are included in the reporting entity:

*City of Poughkeepsie Industrial Development Agency*

The City of Poughkeepsie Industrial Development Agency (“Agency”) is a public benefit corporation established under Section 856 of the New York State Industrial Development Agency Act of the State of New York and Chapter 73 of the Laws of 1970 of the State. The Agency was established to encourage economic growth within the City of Poughkeepsie, New York. The City of Poughkeepsie Common Council appoints all of the Agency’s board members, which causes the Agency to meet the criteria for inclusion as a component unit. The Agency is included in the City’s financial statements as a discretely presented component unit. See Note XIII.

*Poughkeepsie Housing Authority*

The Poughkeepsie Housing Authority (“Housing Authority”) was established by state statute. The Housing Authority administers federal and state funding, and/or other financing for the provision of adequate housing for qualified low-income individuals in the City. Of the seven members who serve as the governing board, five are appointed by the Mayor, which causes the Housing Authority to meet the criteria for inclusion as a component unit. The Housing Authority is included in the City’s financial statements as a discretely presented component unit. See Note XIII.

*Poughkeepsie Joint Water Project*

The Poughkeepsie Joint Water Project (“Joint Water Project”) is the result of inter-municipal agreement and is further described in Note XIV.

The City accounts for its participation in the Joint Water Project in the Joint Water Fund (“Joint Water Fund”), a non-major governmental fund. The Joint Water Fund represents the City’s allocation of the Joint Water Project’s financial position and activities on the modified accrual basis. The City’s portion of the Joint Water Project’s full accrual assets and liabilities are included in the City’s statement of net position.



**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**A. Reporting Entity - continued**

*Entities excluded from the reporting entity are:*

The City has determined that the following entities are not component units and are not required to be reported within the City's reporting entity for the purposes of the financial statements of the City: Poughkeepsie City School District ("School District") and the Greater Poughkeepsie Library District ("Library District").

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

The governmental reporting model includes the following sections: Management's Discussion and Analysis, Government-wide Financial Statements, and Fund Financial Statements.

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included in the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual (i.e., as soon as they are both measurable and available). "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or seen enough thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers all revenues other than property taxes to be available if they are collected within 180 days of the end of the current period. Property tax receivables are deferred if not collected within 60 days of year end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except that:

- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as vacation leave and compensation time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the credits are used by employees.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.
- Judgments and claims are recorded only when payment is due.

The City also reports deferred inflows of resources in its fund financial statements for certain revenues other than property taxes. Deferred inflows of resources arise when potential revenue does not meet both of the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for its deferred inflows of resources is removed from the balance sheet and revenue is recognized.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, expenditures and other financing sources (uses) which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations or limitations.

The City reports the following governmental funds:

1. **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital assets. Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.
3. **Debt Service Fund** is used to account for the accumulation of resources for the payment of principal and interest on long-term debt.
4. **Non-Major Governmental Funds** include the Water, Sewer, Sanitation, Special Revenue, Special Grant, Miscellaneous Grant, and Joint Water Funds, which are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**D. Component Unit Year End**

As described above, the Poughkeepsie Housing Authority is not considered to be part of the primary government and is presented as a component unit of the City. The financial information for this component unit in the accompanying basic financial statements is derived from its most recently issued audited annual financial statements as of and for the year ended March 31, 2023, which are available from the Housing Authority’s office in Poughkeepsie, New York.

**E. Pervasiveness of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**F. Budgetary Data**

The City's budget policies are as follows:

1. Pursuant to Article 6 of the Second Class Cities Law of the State of New York and its own charter, the City legally adopts calendar year budgets for the General Fund and certain other governmental funds. Certain amendments to the original budget made during the year require the approval of the Common Council. Budgetary comparison schedules are presented as required supplementary information for governmental major funds that adopt budgets. Budgetary controls are established or adopted for the Capital Projects Fund on a project basis. Unused appropriation of the annually budgeted funds lapse at the end of the year.
2. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**G. Property Taxes**

The City approves the budget for the current year on the last working day of the previous year. Property taxes are levied on January 15 and collected from February 1 through December 1. Penalties and interest are assessed after February 15. Unpaid taxes are converted to petitions of foreclosure and then sold at public auction, subject to a six month right-of-redemption.

Taxes for Dutchess County and Greater Poughkeepsie Library District purposes apportioned to the area within the City are levied together with taxes for the City as a single bill. The City assumes enforcement responsibility for all taxes levied in the City.

Delinquent City school district taxes are turned over to the City for collection. The City collects and remits payments on these unpaid school taxes for two years. During this period, the amounts collected and remitted to the School District are accounted for in the General Fund. At the end of the two years, the City becomes legally liable for any remaining uncollected school taxes. These unpaid City school district taxes are included with unpaid City and county taxes on the tax foreclosure petitions.

The City is permitted by the New York State Constitution - Article VIII - Local Finance, Section 10 to levy real property taxes up to a limit calculated in accordance with law. This limit is based upon the most recent five-year average full valuation of taxable real property within the City. The City's maximum taxing power, as provided by the Constitution, is limited to two percent of this average full valuation, plus exclusions from the tax limit for debt payments. However, the City of Poughkeepsie, through its City Charter (Subpart AA), limits the amount to be raised by tax on real estate, to an amount not to exceed one and one-half percent of average full valuation. The City's self-imposed tax limit based on 1.5% as computed for real property taxes levied by the City plus providing for the interest on and the principal of all indebtedness during 2023 was \$27,839,770, of which the amount required for the tax levy was \$20,984,491 leaving a margin of \$6,855,279. Therefore, the 2023 City tax levy, which is based on the 2023 assessment roll, utilized 75.38% of its self-imposed tax limit including provisions for debt service.

**H. Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits in various interest-bearing demand and time deposits with original maturities of 90 days or less. The City's investment policies are governed by State statutes. In addition, the City has its own written investment policy. The City's cash and cash equivalents must be deposited in Federal Deposit Insurance Corporation - insured commercial banks or trust companies located within the State. The City is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by the federal deposit insurance corporation. This collateral must be in the form of obligations of the United States and its agencies, and obligations of the State and its municipalities and school districts. The City's deposits were adequately insured or collateralized as of December 31, 2023.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**H. Cash and Cash Equivalents - continued**

Restricted cash and cash equivalents consisted of the following at December 31, 2023:

General Fund - Employee Benefits Reserve	\$ 156,845
General Fund - Snow Removal Reserve	175,622
General Fund - Insurance Reserve	210,887
General Fund - Unspent ARPA Proceeds	6,980,023
Capital Fund - Cash with Fiscal Agent	69,795
Water Fund - Cash with Fiscal Agent	48,452
Debt Service Fund	69,015
	<u>\$ 7,710,639</u>

**I. Receivables**

Receivables are carried at the original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Billings which remain delinquent within the Water, Sewer and Sanitation Funds at the end of the fiscal year are relieved on the subsequent year property tax rolls. At December 31, 2023, no provision for doubtful accounts was reported within the City’s governmental activities.

Receivables at year-end for the City’s governmental activities, categorized by individual fund and in the aggregate, were as follows:

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Property Tax	\$ 8,375,610	\$ -	\$ -	\$ -	\$ 8,375,610
Franchise Tax	309,603	-	-	-	309,603
Gross Receipts Tax	70,970	-	-	-	70,970
State and Federal	1,093,326	389,214	-	1,160,259	2,642,799
Sales Tax	1,994,805	-	-	-	1,994,805
Other Governments	526,926	-	4,425,000	1,100,457	6,052,383
Other	257,501	-	-	71,294	328,795
Mortgage Loans	-	-	-	229,652	229,652
Charges for Services	268,560	-	-	9,290,079	9,558,639
	<u>\$ 12,897,301</u>	<u>\$ 389,214</u>	<u>\$ 4,425,000</u>	<u>\$ 11,851,741</u>	<u>\$ 29,563,256</u>

**J. Mortgage Loans Receivable**

The community development program lends monies received through federal grants to individuals and nonprofit agencies at low interest rates to fund the acquisition and rehabilitation of low-income housing and other community development projects in Poughkeepsie. Loan disbursements are recorded as grant expenditures and loan repayments are recorded as program income. Mortgage loans receivable and the related deferred inflows of resources, if any, consist of principal to be collected in future periods. No valuation allowance has been recorded. Revenue is recognized as the principal portion of the loan is collected.

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

During the year, transactions often occur between the various funds. Transactions considered loans or advances to be repaid are recorded as current assets and liabilities in the fund financial statements as either “due from or due to other funds.” Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note II for a schedule detailing the interfund balances.

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

**L. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts in governmental funds are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

**M. Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

**A. Lessee**

The City is a lessee for various noncancellable leases of vehicles and equipment. For leases with a maximum possible term of 12 months or less at commencement (short term), the City recognizes lease expense based on the provisions of the lease agreement in the Statement of Revenues, Expenses, and Changes in Net Position. For all other leases, the City recognizes a lease liability and an intangible right-to-use leased asset in the Statement of Net Position.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The leased asset is initially measured at the amount of the lease liability and, as applicable, less lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the City is reasonably certain of exercising a purchase option contained in a lease, the leased asset is amortized over the useful life of the underlying asset.

The City has elected not to apply GASB 87 capitalization requirements to immaterial leases and will continue to account for these leases under extant standards.

The following key estimates and judgments are used by the City to determine the following:

- Discount rate: The City generally uses an incremental borrowing rate as the discount rate to calculate the present value of the expected lease payments unless the rate that the lessor charges is known. Since the City's bonds are not actively traded, the City determines its incremental borrowing rate by using observable inputs from publicly available sources.
- Lease term: The lease term includes the noncancelable period of the lease, plus periods covered by either a City or lessor unilateral option to 1) extend when it is reasonably certain to be exercised, or 2) terminate when it is reasonably certain not to be exercised. Periods in which the City and the lessor have an option to terminate or those that are covered by a bilateral option, where both parties must agree, are excluded from the lease term.
- Lease payments: Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

**B. Lessor**

The City is a lessor for various noncancelable leases of property used for cell towers. For short-term leases, the City recognizes rental income based on the provisions of the lease agreement in the Statement of Revenues, Expenses, and Changes in Net Position. For all other leases, the City recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision for uncollectible amounts, if applicable. Any initial direct costs required to be paid by the City are expensed in the period incurred. Subsequently, payments received are allocated first to any accrued interest receivable and then to the lease receivable.

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

**M. Leases and Subscription-Based Information Technology Arrangements (SBITAs) – continued**

**B. Lessor - continued**

The deferred inflow of leased revenue is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, if applicable. Subsequently, the deferred inflow of resources is recognized on a straight-line basis as revenue over the life of the lease term.

The following key estimates and judgments are used by the City to determine the following:

- Discount rate: The City uses either the explicit rate stated in the lease agreement or its incremental borrowing rate to discount the expected lease receipts to present value. Since the City's bonds are not actively traded, the City determines its incremental borrowing rate by using observable inputs from yield curves from publicly available sources.
- Lease term: The lease term includes the noncancelable lease period of the lease, plus 1) periods for which the City has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the City is reasonably certain not to exercise the termination option.
- Lease receipts: Measurement of the lease receivable includes fixed payments, and as applicable, variable fixed in substance payments, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflows of resources for leasing transactions.

**C. SBITAs**

The City has acquired the use of several IT programs through SBITAs. These arrangements are accounted for as prescribed by GSAB 96, Subscription-Based Information Technology Arrangements. The accounting, estimates, and judgements are all materially the same as described in M.A. above for lessee leases.

The City has elected not to apply GASB 96 capitalization requirements to immaterial SBITAs.

**N. Capital Assets**

Capital assets consist of buildings, improvements, infrastructure and machinery and equipment and are reported at historical cost in the government-wide financial statements. The City depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capital assets are defined by the City as assets with an initial, individual cost greater than \$50,000 for construction projects and \$25,000 for all other assets. Estimated lives of assets reported in the Government-wide statements are as follows:

Buildings	15-40 years
Improvements	15-40 years
Infrastructure	15-40 years
Machinery and equipment	3-40 years
Leases	5-10 years
SBITAs	3-10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There were no impairments on long-lived assets as of December 31, 2023.

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

**O. Vested Employee Benefits**

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

The City’s employees participate in the New York State Employees’ Retirement System and New York State Police and Fire Retirement System. See Note V.

In addition to providing pension benefits, the City provides health insurance coverage for retired employees. Substantially all of the City’s employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the City. The City recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid. Substantially all of the City’s employees may become eligible for these benefits if they reach normal retirement age and at least a0 years of service while working for the City. See Note VI.

**P. Risk Retention**

The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Such risks are generally covered by the purchase of commercial insurance for losses in excess of specified limits. The City was self-insured during 2023 for risks below those limits.

Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred, the amount of loss can be reasonably estimated and the loss is not covered by the commercial insurance coverage described above. The City has estimated losses based on the above criteria and recorded that liability in the statement of net assets, see Note X.

**Q. Equity Classification**

**1. Government-wide Statements**

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

Net Investment in Capital Assets:

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

Restricted Net Position:

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

Unrestricted Net Position

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

**2. Fund Financial Statements**

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

Nonspendable: Amounts that cannot be spent in the current period because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

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

**Q. Equity Classification – continued**

Restricted: Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation. The Debt Service, Capital Projects, and Water Funds include \$69,015, \$69,795, and \$48,452, respectively, of unspent debt proceeds that are legally restricted for debt service or capital expenditures.

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

- a. The General Fund includes reserve funds established for employee benefits, snow removal, and insurance. The balances at December 31, 2023 were \$156,845, \$175,622, and \$210,887, respectively.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action such as legislation, resolution or ordinance by the government’s highest level of decision-making authority.

Assigned: Amounts that are constrained only by the government’s intent to be used for specified purposes but are not restricted or committed in any manner. The City has the following assigned fund balances:

- a. The General Fund includes assigned fund balance for encumbrances at December 31, 2023 of \$1,572,787.
- b. The Non-Major Governmental Funds include assigned unappropriated fund balances for specific purposes at December 31, 2023 of \$9,739,727.

Unassigned: The residual amount in the General Fund after all of the other classifications have been established. In other governmental funds, if expenditures and other financing uses exceed the amounts restricted, committed or assigned for those purposes, then a negative unassigned fund balance will occur.

**R. Interfund Transfers**

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

**S. Long-Term Obligations**

In the government-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**T. Deferred Outflows of Resources and Deferred Inflows of Resources**

The City reports certain financial transactions that do not meet the definition of an asset or liability as deferred outflows of resources or deferred inflow of resources. Deferred outflows of resources and deferred inflows of resources are reported in separate sections following assets and liabilities, respectively. The City also reports deferred inflows of resources in the governmental funds for receivable balances that do not meet the “availability” criterion for revenue recognition, such as uncollected real property taxes and other unavailable resources. Additionally, the City reports deferred inflows of resources in the governmental funds for leases. Real property taxes received in advance of the lien date are reported as deferred inflows of resources within the General Fund and in the government-wide financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Other postemployment benefits and net pension liability related deferred outflows of resources and deferred inflows of resources are reported in the government-wide financial statements. The government-wide financial statements also include deferred inflows of resources related to federal funding under the American Rescue Plan Act (“ARPA”).



**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

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

**U. Subsequent Events**

The City has evaluated subsequent events for potential recognition or disclosure through November 7, 2024, the date the financial statements were available to be issued.

**II. INTERFUND ACTIVITY**

Interfund receivables and payables at December 31, 2023, were as follows:

<u>FUND</u>	<u>RECEIVABLE</u>	<u>PAYABLE</u>
General	\$ 11,484,134	\$ 1,295,637
Capital Projects	795,741	2,757,220
Non-Major	4,175,090	12,402,108
<b>TOTALS</b>	<b><u>\$ 16,454,965</u></b>	<b><u>\$ 16,454,965</u></b>

Interfund transfers in and out for the year ended December 31, 2023, were as follows:

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General	\$ 4,322,927	\$ 4,198,926
Capital Projects	171,399	1,781,911
Debt Service	6,911,197	-
Non-Major	3,565,501	8,990,187
<b>TOTALS</b>	<b><u>\$ 14,971,024</u></b>	<b><u>\$ 14,971,024</u></b>

Interfund transfers were made for the following purposes:

- Repayment of the City’s debt is recorded through the Debt Service Fund.
- Non-Major Fund transfers to the General Fund were to reimburse for various costs.
- Transfers to and from the Capital Projects Fund were for project funding.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**III. CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2023 were as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Reclass- ification</b>	<b>Ending Balance</b>
Capital Assets, not being depreciated:					
Land	\$ 3,977,580	\$ -	\$ -	\$ -	\$ 3,977,580
Construction in Progress	28,683,951	5,132,404	-	(13,796,377)	20,019,978
Total Capital Assets, not being depreciated	32,661,531	5,132,404	-	(13,796,377)	23,997,558
Capital Assets, being depreciated:					
Buildings	52,774,861	14,539	(24,487,655)	125,157	28,426,902
Right to Use Leased Assets	677,370	475,218	-	-	1,152,588
Right to Use SBITA Assets	-	1,143,694	-	-	1,143,694
Infrastructure & Improvements	132,059,108	1,741,247	(6,999,065)	13,640,709	140,441,999
Machinery & Equipment	25,441,100	702,810	(2,034,790)	30,511	24,139,631
Total Capital Assets, being depreciated	210,952,439	4,077,508	(33,521,510)	13,796,377	195,304,814
Accumulated Depreciation for:					
Buildings	(39,679,704)	(622,818)	24,487,655	-	(15,814,867)
Right to Use Leased Assets	(109,894)	(129,601)	-	-	(239,495)
Right to Use SBITA Assets	-	(173,979)	-	-	(173,979)
Infrastructure & Improvements	(78,045,611)	(5,968,390)	6,950,642	-	(77,063,359)
Machinery & Equipment	(9,682,501)	(1,633,120)	1,738,279	-	(9,577,342)
Total Accumulated Depreciation	(127,517,710)	(8,527,908)	33,176,576	-	(102,869,042)
Net Capital Assets, being depreciated	83,434,729	(4,450,400)	(344,934)	13,796,377	92,435,772
Governmental Activities Capital Assets, net	\$ 116,096,260	\$ 682,004	\$ (344,934)	\$ -	\$ 116,433,330

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

General Government Support	\$ 434,139
Public Safety	516,235
Transportation	2,656,653
Economic Assistance and Opportunity	1,143,474
Culture and Recreation	65,158
Home and Community Service	3,712,249
Total Depreciation Expense	\$ 8,527,908

**IV. LEASES AND RIGHT-TO-USE ASSETS**

**A. Lessee**

The City is a lessee for various noncancellable leases for vehicles, equipment and other assets. Right-to-use leased assets activity for the year ended December 31, 2023 was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Reclass- ification</b>	<b>Ending Balance</b>
Right to Use Leased Assets:					
Machinery and Equipment	\$ 141,509	\$ -	\$ -	\$ -	\$ 141,509
Vehicles	535,861	475,218	-	-	1,011,079
Total Right to Use Leased Assets	677,370	475,218	-	-	1,152,588
Accumulated Amortization for:					
Machinery and Equipment	(13,919)	(27,838)	-	-	(41,757)
Vehicles	(95,975)	(101,763)	-	-	(197,738)
Total Accumulated Amortization	(109,894)	(129,601)	-	-	(239,495)
Total Right to Use Leased Assets, net	\$ 567,476	\$ 345,617	\$ -	\$ -	\$ 913,093

Refer to Note VIII, Long-Term Liabilities, for information on the liabilities relating to the right-to-use leased assets.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**IV. LEASES AND RIGHT-TO-USE ASSETS – CONTINUED**

**B. Lessor**

The City is a lessor for various noncancellable leases of property used for cell towers. Some of the leases have termination options that the lessee may unilaterally exercise by giving various periods of notice to the City.

Principal and interest receivable from leases in future years are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,818	\$ 796	\$ 17,614
2025	17,158	764	17,922
2026	17,236	731	17,967
2027	17,316	696	18,012
2028	17,399	658	18,057
2029-2033	89,411	2,652	92,063
2034-2038	93,297	1,341	94,638
Thereafter	39,950	199	40,149
Total Payments	<u>\$ 308,585</u>	<u>\$ 7,837</u>	316,422
Present Value Discount			(101,742)
Net Receivable			214,680
Past Due Balance			13,201
Total Lease Receivable			<u>\$ 227,881</u>

**V. PENSION PLANS**

**Plan Description**

The City participates in the New York State and Local Employees’ Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State of New York financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany New York 12244.

**Funding Policy**

Most members of the System who joined on or before July 26, 1976 are enrolled in a noncontributory plan. Members of the System who joined after July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have ten or more years of membership or credited service with the System are not required to contribute.

Generally, members of the System may retire at age 55; however, members of Tiers 2, 3, 4 and 5 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits, and employees with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for System members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3% to 6% depending on salary. Members are required to contribute for all years of service. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2023 was 11.6% and 27.0% of payroll, respectively.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**V. PENSION PLANS - CONTINUED**

**Funding Policy- continued**

Under authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ended March 31.

The required contributions for the current year and two preceding years were:

Plan Year Ended March 31,	<u>ERS</u>	<u>PFRS</u>
2023	\$ 1,189,034	\$ 4,441,393
2022	1,597,177	4,588,150
2021	1,465,261	3,613,879

These contributions were equal to 100% of the actuarially required contributions for each respective year.

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

At December 31, 2023, the City reported liabilities of \$7,963,607 and \$19,297,826 for its proportionate share of the net pension liability for ERS and PFRS, respectively. The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Systems relative to the projected contributions of all participating members, as actuarially determined. This information was provided to the City by the ERS and PFRS Systems.

At December 31, 2023, the City's proportion of the ERS and PFRS net pension liability was 0.0371367% and 0.3502028%, respectively.

For the year ended December 31, 2023, the City recognized pension expense of \$1,189,304 and \$4,441,393 for ERS and PFRS, respectively. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 848,186	\$ 1,886,168	\$ 2,734,354
Changes of assumptions	3,867,641	9,403,780	13,271,421
Net difference between projected and actual investment earnings on pension plan investments	-	34,116	34,116
Changes in proportion and difference between the City's contributions and proportionate share of contributions	171,790	1,491,054	1,662,844
City's contributions subsequent to the measurement date	1,188,652	3,732,801	4,921,453
Total	<u>\$ 6,076,269</u>	<u>\$16,547,919</u>	<u>\$ 22,624,188</u>

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**V. PENSION PLANS - CONTINUED**

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

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 223,648	\$ -	\$ 223,648
Changes of assumptions	42,745	-	42,745
Net difference between projected and actual investment earnings on pension plan investments	46,786	-	46,786
Changes in proportion and difference between the City's contributions and proportionate share of contributions	170,567	362,379	532,946
<b>Total</b>	<b>\$ 483,746</b>	<b>\$ 362,379</b>	<b>\$ 846,125</b>

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

<u>Year ending December 31.:</u>	<u>Governmental Activities</u>	
	<u>ERS</u>	<u>PFRS</u>
2024	\$ 1,050,418	\$ 2,481,925
2025	(459,240)	(164,576)
2026	1,641,817	5,970,753
2027	2,170,876	3,756,330
2028	-	408,307
	<u>\$ 4,403,871</u>	<u>\$12,452,739</u>

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2023	March 31, 2023
Investment Rate of Return	5.90% compounded annually net of investment expense	5.90% compounded annually net of investment expense
Projected Salary Increases	4.40%	6.20%
Decrement Tables	Based upon FY 2016-2020 System's Experience	Based upon FY 2016-2020 System's Experience
Inflation Rate	2.90%	2.90%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**V. PENSION PLANS - CONTINUED**

**Actuarial Assumptions - continued**

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

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

Asset Class:	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic Equity	32%	4.30%
International Equity	15%	6.85%
Private Equity	10%	7.50%
Real Estate	9%	4.60%
Opportunistic/Absolute Return Strategy	3%	5.38%
Credit	4%	5.43%
Real Assets	3%	5.84%
Fixed Income	23%	1.50%
Cash	<u>1%</u>	0.00%
Total	<u><u>100%</u></u>	

**Discount Rate**

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
<b>ERS</b>			
City's proportionate share of the net ERS pension liability/(asset)	\$ 19,244,621	\$ 7,963,607	\$ (1,462,994)
<b>PFRS</b>			
City's proportionate share of the net PFRS pension liability	\$ 40,227,221	\$ 19,297,826	\$ 1,967,030

**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**V. PENSION PLANS - CONTINUED**

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2023, were as follows:

	(Dollars in Thousands)	
	ERS	PFRS
Employers' total pension liability	\$ 232,627,259	\$ 43,835,333
Plan net position	211,183,223	38,324,863
Employers' net pension liability	<u>\$ 21,444,036</u>	<u>\$ 5,510,470</u>
Ratio of plan net position to the employers' total pension liability	90.78%	87.43%

**Payables to the Pension Plan**

For ERS, employer contributions for the plan year ended March 31, 2024 were paid to the System in February 2024. Accrued retirement contributions as of December 31, 2023 amounted to \$1,188,652.

For PFRS, employer contributions for the plan year ended March 31, 2024 were paid to the System in February 2024. Accrued retirement contributions as of December 31, 2023 amounted to \$3,732,801.

**VI. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

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

**Benefits Provided**

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

- CSEA/Management: eligibility for retirement under ERS; 10 years of City service
- PBA/Firefighters/Federation of Police: eligibility for retirement under PFRS; 10 years of City service

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

Benefit terms are dependent on the applicable employee contract. Contribution rates for new retirees are as follows:

Group	Provider Options	Years of Service	City Contributions (%)			Reimburse Part B Premium		
			Individual	Spouse	Individual and Children	Individual	Spouse	Surviving Spouse
CSEA	NYSHIP	10 - 25+	50%	35%	N/A	Y	Y	Y
Management	NYSHIP	10 - 25+	75%	50%	N/A	Y	Y	Y
CSEA/Management Special Agreements	NYSHIP	10 - 25+	100%	100%	N/A	Y	Y	Y
PBA*	NYSHIP	10 - 25+	75%	50%	50%	Y	Y	Y
Firefighters	NYSHIP	10 - 25+	75%	50%	N/A	Y	Y	Y
Federation of Police	NYSHIP	10 - 25+	50%	35%	N/A	Y	Y	Y

\*Certain Police Benevolent Association ("PBA") employees are able to increase the percentage that the City contributes based on sick time accrued at retirement. The City's contribution percentage can increase up to 100%.

**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**VI. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED**

**Benefits Provided - continued**

The City’s contribution is equivalent to the portion of health insurance premiums paid that are allocated to retirees, totaling \$3,190,423 during the year ended December 31, 2023.

**Employees Covered by Benefit Terms**

Active employees	319
Retired	182
Covered Spouses	104
Beneficiaries	<u>12</u>
Total employees covered by benefit terms	<u><u>617</u></u>

**Total OPEB Liability**

The City’s liability for other postemployment benefits as of December 31, 2023, was \$131,138,805. For the year ended December 31, 2023, the City recognized total OPEB expense, including retiree premiums paid, of \$16,327,599.

A summary of changes in the City’s OPEB plan liability is as follows:

	<u>Year Ended December 31, 2023</u>
Service Cost	\$ 8,002,453
Interest	3,126,868
Effect of Plan Changes	5,053,074
Changes in Assumptions or Other Inputs	(27,228,997)
Benefit Payments	<u>(3,190,423)</u>
Net Change in Total OPEB Liability	(14,237,025)
Total OPEB liability - beginning	<u>145,375,830</u>
Total OPEB liability - ending	<u><u>\$ 131,138,805</u></u>



**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**VI. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED**

**Actuarial Assumptions and Other Inputs**

The OPEB liability at the December 31, 2023 measurement date was determined using a valuation date of January 1, 2022. The total OPEB liability in the December 31, 2023 actuarial report was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.30%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	3.72%
Healthcare Cost Trend Rates	Pre-65: Ranging from 7.1% to 4.0% for pharmacy, medical, dental and vision for 2023, reduced incrementally to an ultimate rate of 5.6% to 4.0% after 10 years  Post-65: Same
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

- The discount rate was based on the Bond Buyer GO 20-Bond Municipal Bond Index.
- Mortality Rates were based on sex-distinct Pub-2010 General Employee/Retiree Mortality Tables with generational projection using Scale MP-2019.

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

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

	1% Decrease	Discount Rate	1% Increase
OPEB Liability:	2.72%	3.72%	4.72%
Governmental Activities	\$ 151,818,837	\$ 131,138,805	\$ 114,397,385

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

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
OPEB Liability:	110,899,930	131,138,805	157,012,134
Governmental Activities	\$ 110,899,930	\$ 131,138,805	\$ 157,012,134

**CITY OF POUGHKEEPSIE, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**VI. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED**

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

At December 31, 2023, the City reported the following deferred outflows and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,780,304	\$ (542,695)
Changes of Assumptions	9,652,969	(26,799,684)
	<u>\$ 13,433,273</u>	<u>\$ (27,342,379)</u>

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

For Year Ending December 31,	Governmental Activities
2024	\$ (3,045,219)
2025	(1,908,592)
2026	(774,027)
2027	(1,508,094)
2028	(2,580,095)
Thereafter	(4,093,079)
	<u>\$ (13,909,106)</u>

**VII. BOND ANTICIPATION NOTES**

Bond anticipation notes are renewed annually and are not to exceed five renewals, except for water and sewer improvements which may be renewed for the life of the improvement not to exceed twenty years. The following is a summary of the City’s outstanding bond anticipation notes as of December 31, 2023:

Purpose	Original Date of Issue	Date of Final Maturity	Interest Rate	BALANCE 12/31/2022	NEW ISSUE	PAYMENTS/ REFINANCE	BALANCE 12/31/2023	DUE WITHIN ONE YEAR
LED Street Lighting - Phase II	2016	2023	2.50%	\$ 754,243	\$ -	\$ (754,243)	\$ -	\$ -
Financial Parking Deck Repairs	2016	2023	2.50%	763,659	-	(763,659)	-	-
City Hall HVAC	2016	2023	2.50%	417,368	-	(417,368)	-	-
City Hall Roof Repairs	2016	2023	2.50%	429,611	-	(429,611)	-	-
Various DPW Trucks/Equipment	2017	2023	2.50%	125,623	-	(125,623)	-	-
Sanitation Trucks	2018	2024	5.13%	166,056	-	(10,000)	156,056	156,056
Fire Ladder Truck	2018	2024	5.13%	455,512	-	(35,000)	420,512	420,512
Reconstruction of Bridges	2019	2024	5.13%	927,340	-	(37,496)	889,844	889,844
Clover Street Fire Station Roof	2019	2024	5.13%	78,698	-	(10,000)	68,698	68,698
Howard Street Transfer Station	2019	2024	5.13%	49,568	-	(5,000)	44,568	44,568
Taylor Ave Sinkhole Repair	2019	2024	5.13%	118,939	-	(15,000)	103,939	103,939
Mansion Street Bridge	2020	2024	5.13%	386,841	-	(10,000)	376,841	376,841
Financial Plaza Deck	2022	2024	5.13%	73,513	-	(5,000)	68,513	68,513
Sanitation Vehicle	2020	2024	5.13%	228,106	-	(10,000)	218,106	218,106
Street Sweeper	2022	2024	5.13%	250,130	-	(12,000)	238,130	238,130
Sweeper & Ejecter Trailer	2020	2024	5.13%	34,686	-	(5,000)	29,686	29,686
City Hall Parking Garage Projects	2021	2024	5.13%	158,735	-	(10,000)	148,735	148,735
City Hall Security Cameras/Computer	2021	2024	5.13%	114,140	-	(10,000)	104,140	104,140
Park Improvements	2021	2024	5.13%	347,232	-	(20,000)	327,232	327,232
Pump Station Renovation	2020	2027	0.00%	6,754,965	1,463,181	(175,932)	8,042,214	-
EFC D0-18698A	2023	2027	3.20%	-	965,203	(965,203)	-	-
Totals				<u>\$ 12,634,965</u>	<u>\$ 2,428,384</u>	<u>\$ (3,826,135)</u>	<u>\$ 11,237,214</u>	<u>\$ 3,195,000</u>

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**VIII. LONG-TERM DEBT**

Long-term liability balances and activity for the year ended December 31, 2023 are summarized below:

	<b>Beginning Balance</b>	<b>Issued/ Earned</b>	<b>Redeemed/ Paid</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Serial Bonds	\$ 40,955,660	\$ 3,258,860	\$ (5,316,440)	\$ 38,898,080	\$ 4,118,440
Bond Premium	1,150,329	76,973	(139,705)	1,087,597	139,705
Installment Purchase Debt	295,585	-	(96,028)	199,557	98,507
Lease Liability	560,739	475,218	(160,513)	875,444	256,645
SBITA Liability	-	1,143,694	(209,922)	933,772	219,983
NYS Retirement System Obligations	739,704	-	(566,533)	173,171	120,221
Pension Liability	2,099,655	30,792,205	(5,630,427)	27,261,433	-
Other Postemployment Benefits	145,375,830	(11,046,602)	(3,190,423)	131,138,805	-
Judgments and Claims	1,411,000	-	(171,000)	1,240,000	1,240,000
Landfill Costs	331,620	-	(152,330)	179,290	5,600
Compensated Absences	9,193,044	675,339	-	9,868,383	986,838
<b>Totals</b>	<b>\$ 202,113,166</b>	<b>\$ 25,375,687</b>	<b>\$(15,633,321)</b>	<b>\$ 211,855,532</b>	<b>\$ 7,185,939</b>

**Bonds Payable**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the City and are pledged by the full faith and credit of the City. Generally, the City's general obligation bonds are tax exempt for federal and New York State income tax purposes. These bonds generally are issued as serial bonds with equal amounts of principal and interest maturing each year.

Bonds payable at December 31, 2023 are comprised of the following individual issues:

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**VIII. LONG-TERM DEBT – CONTINUED  
Bonds Payable – continued**

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding End of Fiscal Year	Due Within the Next Year
<u>GOVERNMENTAL ACTIVITIES</u>					
Public Improvement	2010	2024	0.383 - 3.677%	\$ 180,000	\$ 180,000
Library Purpose	2014	2038	4.50 - 5.00%	2,025,000	100,000
Public Improvement	2015	2033	4.00 - 4.50%	3,040,000	260,000
Public Improvement	2015	2034	4.00%	705,000	45,000
Public Improvement	2015	2026	4.227 - 4.775%	96,000	32,000
EFC Drinking Water Facility - Joint Water	2015	2025	3.635 - 4.015%	14,000	7,000
EFC Drinking Water Facility - Joint Water	2017	2047	1.503 - 3.754%	8,865,000	250,000
Refunding Bonds	2019	2031	5.00%	8,225,000	1,855,000
Refunding Bonds - Library	2021	2030	4.00%	2,400,000	300,000
Refunding Bonds	2021	2027	4.00%	1,380,000	320,000
EFC D0-18120	2022	2051	0.00%	7,824,220	279,440
EFC 2023A	2023	2030	0.790 - 4.612%	400,000	55,000
EFC 2023A	2023	2025	2.579 - 6.189%	295,000	145,000
EFC 2023A	2023	2028	2.95%	190,000	35,000
2023 Public Improvement Bonds	2023	2030	5.00%	2,210,000	225,000
EFC 2023 - Joint Water	2023	2053	3.5510 - 3.7810%	1,048,860	30,000
TOTAL SERIAL BONDS				<u>\$38,898,080</u>	<u>\$ 4,118,440</u>

Annual debt service requirements to maturity of bonds payable are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,118,440	\$ 1,287,333	\$ 5,405,773
2025	3,133,440	1,076,275	4,209,715
2026	3,065,300	975,475	4,040,775
2027	3,169,440	850,648	4,020,088
2028	2,934,440	721,352	3,655,792
2029-2033	9,627,200	2,244,004	11,871,204
2034-2038	4,327,200	1,257,584	5,584,784
2039-2043	3,742,200	742,048	4,484,248
2044-2048	3,672,200	258,040	3,930,240
2049-2053	1,108,220	41,525	1,149,745
	<u>\$ 38,898,080</u>	<u>\$ 9,454,284</u>	<u>\$ 48,352,364</u>

**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**VIII. LONG-TERM DEBT - CONTINUED**

**Bond Premium**

The 2019 and 2021 Refunding Bonds and 2023 Public Improvement Bonds were issued at premiums of \$1,315,949, \$204,208, and \$76,973, respectively. The total unamortized balance at December 31, 2023 was \$1,087,597. The premiums are being amortized using the straight-line method, which approximates the effective interest method. Future amortization of bond premiums is as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ 139,705
2025	139,705
2026	139,705
2027	139,705
2028	139,705
2029-2031	389,072
	<u><u>\$ 1,087,597</u></u>

**NYS Retirement System Obligations**

For the years ended December 31, 2012 – 2015, the City elected to defer ERS and PFRS retirement contributions under Chapter 57 of the Laws of 2010 of the State of New York. The law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System’s fiscal years when the local employer opts to participate in the program.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for ten years, including a rate of interest annually set by the New York State Comptroller, subject to the following stipulations:

- For State fiscal year 2010 – 2011, the amount in excess of the graded rate of 9.5% of employee’s covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the System’s average rate and the previous graded rate.
- For subsequent fiscal years in which the System’s average rates are lower than the graded rate, the employer will be required to pay the graded rate. Any additional contribution made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

At December 31, 2023, the governmental activities reported a NYS retirement system obligation of \$173,171. The following table shows the amounts due for each year’s deferral and the amortization thereto:

<u>Year</u>	<u>Balance</u>	<u>Due Within One Year</u>
2014 - PFRS	\$ 68,888	\$ 68,888
2015 - PFRS	104,283	51,333
	<u><u>\$ 173,171</u></u>	<u><u>\$ 120,221</u></u>

Future principal and interest due on NYS retirement system obligations are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 120,221	\$ 5,813	\$ 126,034
2025	52,950	1,668	54,618
	<u><u>\$ 173,171</u></u>	<u><u>\$ 7,481</u></u>	<u><u>\$ 180,652</u></u>

**CITY OF POUGHKEEPSIE, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**VIII. LONG-TERM DEBT - CONTINUED**

**Installment Purchase Debt**

The City entered into an installment purchase agreement to purchase parking meters. Annual debt service requirements to maturity of the agreement are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 98,507	\$ 5,153	\$ 103,660
2025	101,050	2,610	103,660
	<b>\$ 199,557</b>	<b>\$ 7,763</b>	<b>\$ 207,320</b>

**Lease Liabilities**

As discussed in Note IV, the City has entered into lease agreements for Vehicles and Equipment. Annual debt service requirements to maturity of the lease agreements are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 256,645	\$ 25,776	\$ 282,421
2025	238,961	16,907	255,868
2026	161,862	10,109	171,971
2027	149,756	4,390	154,146
2028	68,220	666	68,886
	<b>\$ 875,444</b>	<b>\$ 57,848</b>	<b>\$ 933,292</b>

**SBITA Liabilities**

The City has entered into multi-year subscription agreements for several information technology arrangements. Annual debt service requirements to maturity of the SBITA agreements are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 219,983	\$ 69,087	\$ 289,070
2025	225,497	52,016	277,513
2026	60,419	34,573	94,992
2027	68,053	29,783	97,836
2028	76,379	24,397	100,776
2029-2033	283,441	34,199	317,640
	<b>\$ 933,772</b>	<b>\$ 244,055</b>	<b>\$ 1,177,827</b>

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**VIII. LONG-TERM DEBT - CONTINUED**

**Interest Expense on Debt**

The City's interest expense incurred on debt for the year ended December 31, 2023 consisted of the following:

**Governmental Activities**

Interest Paid	\$ 1,445,397
BAN Premium Amortization	(28,000)
Bond Premium Amortization	(139,705)
Interest Accrued - Prior Year	(431,314)
Interest Accrued - Current Year	613,948
	<u>\$ 1,460,326</u>

**IX. DEFICIT FUND BALANCES**

At December 31, 2023, the Capital Projects Fund had a deficit fund balance of \$10,018,627, which will be alleviated when the BANs are converted to long-term financing. Certain non-major governmental funds had a cumulative deficit fund balance of \$3,151,867. The City has implemented cost-savings measures and revenue enhancements to fund these deficits in the future.

**X. CONTINGENCIES**

**Grant Funding**

The City participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis.

Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

**Judgments and Claims**

The City is a party to various legal proceedings, some of which involve serious inquiry. Many of these actions arise in the normal course of the City's operations. The City records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. Changes in the City's claim liability during the year ended December 31, 2023 are depicted within footnote VIII.

The City is also a defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

Certain other claims cannot be estimated as they involve complex issues. Often these issues are subject to uncertainties and, therefore, the probability of loss or an estimation of damages cannot be determined.

**Environmental Risks**

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the City expect such compliance to have, any material effect upon the capital expenditures or financial condition of the City. The City believes that its current practices and procedure for control and disposition of regulated wastes comply with applicable federal, state and local requirements.

**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**XI. AUTHORIZED DEBT**

The City’s authorized but unissued debt as of December 31, 2023 is as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
June-13	Joint Water Treatment - Centrifuge Upgrade	\$ 12,112
July-13	Joint Water Treatment - Disinfection Byproduct Upgrade	63,143
January-15	Water Storage Reservoir & Distribution Lines *	2,025,000
February-15	Pump Stations & Transmission Lines*	2,905,854
May-16	Creek Road Improvement	400,000
June-16	Financial Plaza Deck	522,171
December-16	DPW Equipment	50,000
February-19	Taylor Avenue Sink Hole Repair	25,000
February-19	Clover Street Fire Station Roof	155,600
February-19	Howard Street Transfer Station	40,000
March-19	Washington & Garden Street Bridges	7,552,480
October-19	Water Treatment Facility	1,653,865
November-19	Mansion Street Bridge	3,938,060
March-20	Street Sweeper	14,551
March-20	City Hall Upgrades	70,150
January-23	Fallkill CSO	6,229,000
	<b>Total</b>	<b><u><u>\$ 25,656,986</u></u></b>

\*Funding available to be drawn-down

**XII. SERVICE AGREEMENT**

The City entered into a Service Agreement with Veolia Water North America – Northeast, LLC, (“Veolia”) for a term of 10 years starting from January 1, 2016. The agreement is for Operations, Maintenance and Management Services to be provided for its Wastewater Treatment Plant. In the event that the agreement is terminated for any reason, Veolia shall have the right to recover from the City the remaining balance of the Veolia capital investment made for the service provided to the City. As of December 31, 2023, the City had no intention to terminate the agreement; therefore, no liability has been recorded. If the City terminates the contract subsequent to that date, \$384,313 would be due to Veolia.

**XIII. COMPONENT UNITS**

This note presents summarized financial information from the audited financial statements of the City’s major component units.

**Poughkeepsie Housing Authority**

The Poughkeepsie Housing Authority (“Housing Authority”) was incorporated under the laws of New York State. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate income families and elderly individuals. The following is a summary of financial information included in the audited financial statements issued for the Housing Authority for the year ended March 31, 2023. These financial statements are issued separately and can be obtained from the Poughkeepsie Housing Authority at 4 Howard Street, Poughkeepsie, NY 12601.

	<b>Balances at March 31, 2023</b>
Assets and Deferred Outflows of Resources	<u><u>\$ 8,129,073</u></u>
Liabilities and Deferred Inflows of Resources	<u><u>\$ 5,369,531</u></u>
Net Position	<u><u>\$ 2,759,542</u></u>
Revenues	<u><u>\$ 7,415,118</u></u>
Expenses	<u><u>\$ 20,824,699</u></u>



**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**XIII. COMPONENT UNITS - CONTINUED**

**City of Poughkeepsie Industrial Development Agency**

The City of Poughkeepsie, New York Industrial Development Agency (“Agency”) is a public benefit corporation established under Section 856 of the New York State Industrial Development Agency Act of the State of New York and Chapter 73 of the Laws of 1970 of the State. The Agency was established to encourage economic growth within the City of Poughkeepsie, New York. The following is a summary of financial information included in the audited financial statements issued for the Agency for the year ended December 31, 2023. These financial statements are issued separately and can be obtained from the City of Poughkeepsie Industrial Development Agency at 62 Civic Center Plaza, Poughkeepsie, NY 12601.

	<b>Balances at December 31, 2023</b>
Assets and Deferred Outflows of Resources	\$ 161,263
Liabilities and Deferred Inflows of Resources	\$ 182,270
Net Position	\$ (21,007)
Revenues	\$ 40,008
Expenses	\$ 27,256

**XIV. INTER-MUNICIPAL AGREEMENTS**

**Poughkeepsie Joint Water Project**

In August 1995, the City entered into an inter-municipal agreement with the Town of Poughkeepsie (“Town”) to provide for the planning, design, technological enhancement, construction or expansion, and operation and maintenance of the above named water treatment facility. This agreement amended and superseded an agreement dated October 11, 1991, covering a joint water project. Under the terms of the 1995 agreement, the Town obtained a one-half interest in the City’s Water treatment plant; the Town will finance studies for upgrades and/or expansions to the plant to increase capacity; the Town will pay 50% of the cost to design and build an alum sludge treatment plant; and the Town will pay for administrative costs related to obtaining approvals to enable the project to proceed. The agreement also provides for the creation of a joint board to administer planning, design, construction, operations, and maintenance of the facility. It is made up of three members from each municipality. Water rates for each municipality are also described in the agreement. The following is a summary of financial information included in the audited financial statements issued for the Joint Water Project for the year ended December 31, 2021, the most recent audit available. These financial statements are issued separately and can be obtained from the Joint Water Project at 62 Civic Center Plaza, Poughkeepsie, NY 12601.

	<b>Balances at December 31, 2021</b>
Total Assets and Deferred Outflows	\$ 33,614,660
Total Liabilities and Deferred Inflows	\$ 7,396,055
Joint Venture Net Position	\$ 26,218,605
Total Income/Additions - 2021	\$ 5,338,663
Total Expenses - 2021	\$ 5,666,341

For the year ended December 31, 2023, the City’s net share of operating expenses amounted to \$1,906,785, which is recorded as an operating transfer between the Water and Joint Water Funds and received reimbursement of administrative costs and allocated share of third-party revenues of \$1,079,216, which is included in Intergovernmental Charges in the Water Fund.

As part of the Joint Project agreement described above, the City financed a share of various plant improvements and expansion. The City issued serial bonds to partially fund its share of improvements. As of December 31, 2023, the outstanding balance on the serial bond issues was \$14,000.

**CITY OF POUGHKEEPSIE, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**XIV. INTERMUNICIPAL AGREEMENTS - CONTINUED**

**Poughkeepsie Joint Water Project - continued**

An additional project related to disinfection product upgrades is in progress with the City’s estimated share of \$10,353,000 (55%). The City issued serial bonds in 2017 in the amount of \$10,353,399 to finance its share of the project. As of December 31, 2023, the outstanding balance on the serial bond issue was \$8,865,000.

During 2023, the City issued serial bonds in the amount of \$1,048,860 to fund additional Joint Water plant upgrades.

Joint Water Project employees are paid through the City’s payroll. The Joint Water Project is also included in the City’s actuarial calculations for Pension and OPEB. The Town is responsible for its portion of these costs. The amounts allocated to the Town at December 31, 2023 were:

	Pension	OPEB	Compensated Absences	Total
Pension Liability	\$ 488,966	\$ -	\$ -	\$ 488,966
OPEB Liability	-	1,372,445	-	1,372,445
Deferred Inflows	29,702	302,146	-	331,848
Deferred Outflows	(373,083)	(90,452)	-	(463,535)
Compensated Absences	-	-	148,942	148,942
	<u>\$ 145,585</u>	<u>\$ 1,584,139</u>	<u>\$ 148,942</u>	<u>\$ 1,878,666</u>

The amount recorded as Due from Town of Poughkeepsie at December 31, 2023 was \$1,878,666.

**Poughkeepsie-Wappinger-LaGrange Joint Landfill**

The City has shared in the monitoring costs of a closed landfill, the Poughkeepsie-Wappinger-LaGrange Joint Landfill. This joint activity includes the Town and City of Poughkeepsie, New York, the Village of Wappingers Falls, New York, the Town of LaGrange, New York, and the Town of Wappinger, New York. All costs associated with monitoring are recognized as incurred.

The following is a summary of unaudited financial information at December 31, 2023, which is included in the separate financial statements available from the Joint Landfill Board of Governors, Attention: Supervisor, Town of Poughkeepsie, One Overrocker Road, Poughkeepsie, New York, 12603.

	<b><u>Unaudited Balances at December 31, 2023</u></b>
Total Assets	<u>\$ 4,150</u>
Total Liabilities	<u>\$ -</u>
Total Venture Equity	<u>\$ 4,150</u>
Total Revenues	<u>\$ 13</u>
Total Expenditures	<u>\$ 15,010</u>

During 2003, an Order of Consent was issued through the New York State Department of Environmental Conservation to remediate Environmental Conservation Law and New York Codes Rules and Regulations violations. To comply with this order the municipalities were required to perform final closure of the landfill under current regulations by December 31, 2005, and perform post closure care and monitoring for a minimum of thirty years thereafter. All costs are borne proportionately by each municipality; the City of Poughkeepsie’s share is 30.1898%. Post closure and monitoring costs commenced in 2009 and are expected to continue through 2040. Current estimated cost is \$593,875 with the City’s share being \$179,290. See Note VIII.

**CITY OF POUGHKEEPSIE, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**XV. PROPERTY TAX ABATEMENTS**

The City has 17 real property tax abatement agreements entered into by the City under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (“PILOT”) in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the City of Poughkeepsie & the Dutchess County IDA grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to PILOT agreements in effect for the year ended December 31, 2023:

<b>Start Date</b>	<b>Agreement</b>	<b>Taxable Assessed Value</b>	<b>Tax Rate</b>	<b>Tax Value</b>	<b>PILOT Received</b>	<b>Taxes Abated</b>
1986; revised 2014	Grand Hotel	\$ 20,000,000	15.1567	\$ 303,134	\$ 55,434	\$ 247,700
1999; revised 2013	Woodside Associates	14,250,000	15.1567	215,983	49,684	166,299
2012	The Commons	11,080,375	15.1567	167,942	18,076	149,866
2004	400 Main LLC	8,500,000	15.1567	128,832	18,087	110,745
2002	Eastman Bixby	11,000,000	15.1567	166,724	56,639	110,085
1987	Poughkeepsie Housing Authority Poughkeepsie Landing (The Grandview)	14,000,000	15.1567	212,194	97,030	115,164
2004	Grandview)	12,000,000	15.1567	181,880	100,975	80,905
2013	Health Quest	24,000,000	15.1567	363,761	64,756	299,005
2007	Admiral Halsey Project	6,650,000	15.1567	100,792	65,000	35,792
2013	Highridge Garden Apartments	8,664,000	15.1567	131,318	22,086	109,232
2009	JM Development	28,321,232	15.1567	429,256	32,800	396,456
2020	CNN Spruce	1,512,000	15.1567	22,917	7,995	14,922
2019	Queen City Lofts	5,000,000	15.1567	75,784	34,785	40,999
2020	Maple St of Dutchess LLC	3,500,000	15.1567	53,048	20,462	32,586
2022	33-35 Academy	725,100	15.1567	10,990	5,288	5,702
2023	Crannel Square LP	3,235,000	15.1567	49,032	40,170	8,862
2021	Fallkill Commons	3,432,100	15.1567	52,019	32,782	19,237
<b>TOTALS</b>				<b>\$ 2,665,606</b>	<b>\$ 722,049</b>	<b>\$ 1,943,557</b>

**XVI. SUBSEQUENT EVENTS**

The City issued the following debt subsequent to year-end.

<b>TYPE</b>	<b>ISSUE DATE</b>	<b>MATURITY DATE</b>	<b>Rate</b>	<b>PURPOSE</b>	<b>AMOUNT</b>
BAN	04/25/24	04/25/25	3.95%	Various Purpose	\$ 2,949,949 **

\*\* Denotes renewals of existing debt.

**XVII. ADOPTION OF NEW REPORTING STANDARD**

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The City implemented this standard as required for the year ended December 31, 2023. (See Note VIII.)

**CITY OF POUGHKEEPSIE, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**XVIII. PRIOR PERIOD ADJUSTMENTS**

**Correction of Misstatements**

The City posted corrections to prior year activity as adjustments to January 1, 2023 opening net position and/or fund balance. The adjustments were made to accrue additional accounts payable for costs incurred during 2022 and to revise the reporting of the City’s participation in the Poughkeepsie Joint Water Project from an Investment in Joint Water Project within the City’s governmental activities to a governmental fund of the City. Opening adjustments to governmental activities statement of net position and governmental funds balance sheets were as follows:

	<u>As Originally Stated</u> <u>January 1, 2023</u>	<u>Correction of</u> <u>Misstatements</u>	<u>As Adjusted</u> <u>January 1, 2023</u>
<i>Governmental Activities</i>			
Capital Assets	\$ 100,354,655	\$ 15,741,605	\$ 116,096,260
Investment in Joint Water Project	13,748,703	(13,748,703)	-
Due from Related Party/Town of Poughkeepsie	3,125,922	(1,779,196)	1,346,726
Accounts Payable	11,230,588	387,059	11,617,647
Net Position	(59,651,487)	(173,353)	(59,824,840)
<i>Capital Projects Fund</i>			
Accounts Payable	\$ 1,371,447	\$ 213,706	\$ 1,585,153
Fund Balance (Deficit)	(12,730,989)	(213,706)	(12,944,695)
<i>Miscellaneous Grants Fund</i>			
Accounts Payable	\$ 282,441	\$ 125,000	\$ 407,441
Fund Balance (Deficit)	1,387,121	(125,000)	1,262,121
<i>Joint Water Fund</i>			
Assets	\$ -	\$ 2,793,255	\$ 2,793,255
Liabilities	-	2,841,608	2,841,608
Fund Balance (Deficit)	-	(48,353)	(48,353)

**XIX. NEW REPORTING STANDARDS**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires governmental entities to assess and disclose concentrations and constraints that make the entity vulnerable to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement makes targeted improvements to the governmental financial reporting model in order to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Areas impacted by the changes include the MD&A, budgetary comparison information, and major component unit information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires leases, intangible right-to-use assets, and subscription-based information technology arrangements to be disclosed separately in the capital assets note disclosures. Additionally, this statement mandates the separate disclosure of all other intangible assets by major class, excluding the aforementioned types. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the potential impact of these statements, if any, on the City’s financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

	Years Ended December 31,					
	2023	2022	2021	2020	2019	2018
Service Cost	\$ 8,002,453	\$ 5,529,547	\$ 4,725,392	\$ 3,508,106	\$ 3,830,902	\$ 3,665,512
Interest	3,126,868	2,388,436	2,769,096	3,442,059	3,231,199	3,365,397
Effect of Plan Changes	5,053,074	22,782,407	-	4,457,074	-	-
Effect of Economic/Demographic Losses	-	5,262,776	-	(1,181,163)	-	-
Changes in Assumptions or Other Inputs	(27,228,997)	3,647,547	5,942,617	8,079,109	(14,540,453)	(255,463)
Benefit Payments	(3,190,423)	(2,720,575)	(2,560,545)	(2,258,538)	(2,099,167)	(1,984,789)
Net Change in Total OPEB Liability	(14,237,025)	36,890,138	10,876,560	16,046,647	(9,577,519)	4,790,657
Total OPEB liability - beginning	145,375,830	108,485,692	97,609,132	81,562,485	91,140,004	86,349,347
Total OPEB liability - ending	\$ 131,138,805	\$ 145,375,830	\$ 108,485,692	\$ 97,609,132	\$ 81,562,485	\$ 91,140,004
Covered Payroll	\$ 23,962,926	\$ 22,757,289	\$ 21,612,311	\$ 20,982,826	\$ 20,371,676	\$ 19,778,327
Total OPEB Liability as a percentage of covered payroll	547%	639%	502%	465%	400%	461%

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

See Independent Auditor's Report.

**CITY OF POUGHKEEPSIE, NEW YORK**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Net Pension (Asset) Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Employees' Retirement System</b>					
3/31/2023	0.0371367%	\$ 7,963,607	\$ 12,214,788	65.20%	90.78%
3/31/2022	0.0360742%	\$ (2,948,914)	\$ 10,899,138	-27.06%	103.65%
3/31/2021	0.0349435%	\$ 34,795	\$ 10,437,395	0.33%	99.95%
3/31/2020	0.0376055%	\$ 9,958,141	\$ 10,471,581	95.10%	86.39%
3/31/2019	0.0341540%	\$ 2,419,915	\$ 10,456,182	23.14%	96.27%
3/31/2018	0.0344178%	\$ 1,110,815	\$ 9,243,231	12.02%	98.24%
3/31/2017	0.0340625%	\$ 3,200,588	\$ 8,875,974	36.06%	94.70%
3/31/2016	0.0371818%	\$ 5,967,779	\$ 8,462,234	70.52%	90.70%
3/31/2015	0.0393371%	\$ 1,328,905	\$ 8,890,357	14.95%	97.95%

Plan Year Ended	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Net Pension (Asset) Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Police and Fire Retirement System</b>					
3/31/2023	0.3502028%	\$ 19,297,826	\$ 18,387,843	104.95%	87.43%
3/31/2022	0.3696286%	\$ 2,099,655	\$ 16,925,884	12.40%	98.66%
3/31/2021	0.3474006%	\$ 6,031,833	\$ 16,570,321	36.40%	95.79%
3/31/2020	0.3552492%	\$ 18,987,849	\$ 15,492,842	122.56%	84.86%
3/31/2019	0.3580039%	\$ 6,003,952	\$ 14,237,597	42.17%	95.09%
3/31/2018	0.3365305%	\$ 3,401,505	\$ 14,310,812	23.77%	96.93%
3/31/2017	0.3581071%	\$ 7,422,313	\$ 15,161,401	48.96%	93.50%
3/31/2016	0.3564623%	\$ 10,554,089	\$ 14,493,445	72.82%	90.20%
3/31/2015	0.3568135%	\$ 982,163	\$ 13,191,833	7.45%	99.00%

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

See Independent Auditor's Report.

**CITY OF POUGHKEEPSIE, NEW YORK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

City Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (Deficiency)/Excess	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
<b>Employees' Retirement System</b>					
12/31/2023	\$ 1,189,034	\$ 1,189,034	\$ -	\$ 12,883,669	9.23%
12/31/2022	\$ 1,597,387	\$ 1,597,387	\$ -	\$ 11,574,504	13.80%
12/31/2021	\$ 1,465,261	\$ 1,465,261	\$ -	\$ 10,495,374	13.96%
12/31/2020	\$ 1,477,425	\$ 1,477,425	\$ -	\$ 10,368,579	14.25%
12/31/2019	\$ 1,379,123	\$ 1,379,123	\$ -	\$ 10,608,319	13.00%
12/31/2018	\$ 1,427,823	\$ 1,427,823	\$ -	\$ 10,183,259	14.02%
12/31/2017	\$ 1,388,504	\$ 1,388,504	\$ -	\$ 8,875,974	15.64%
12/31/2016	\$ 1,831,474	\$ 1,831,474	\$ -	\$ 8,462,234	21.64%
12/31/2015	\$ 2,052,934	\$ 1,535,115	\$ (517,819)	\$ 8,890,357	17.27%
12/31/2014	\$ 1,833,184	\$ 1,366,652	\$ (466,532)	N/A	N/A

City Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (Deficiency)/Excess	Covered Payroll	Required Contributions as a Percentage of Covered Payroll
<b>Police and Fire Retirement System</b>					
12/31/2023	\$ 4,441,393	\$ 4,441,393	\$ -	\$ 18,901,604	23.50%
12/31/2022	\$ 4,588,150	\$ 4,588,150	\$ -	\$ 17,545,106	26.15%
12/31/2021	\$ 3,613,879	\$ 3,613,879	\$ -	\$ 16,772,982	21.55%
12/31/2020	\$ 3,203,066	\$ 3,203,066	\$ -	\$ 16,398,484	19.53%
12/31/2019	\$ 3,338,912	\$ 3,338,912	\$ -	\$ 15,036,474	22.21%
12/31/2018	\$ 3,129,827	\$ 3,129,827	\$ -	\$ 14,090,060	22.21%
12/31/2017	\$ 3,079,767	\$ 3,079,767	\$ -	\$ 15,161,401	20.31%
12/31/2016	\$ 3,216,292	\$ 3,216,292	\$ -	\$ 14,493,445	22.19%
12/31/2015	\$ 3,396,058	\$ 2,933,708	\$ (462,350)	\$ 13,191,833	22.24%
12/31/2014	\$ 3,438,819	\$ 2,849,931	\$ (588,888)	N/A	N/A

N/A - Data not available at this time.

See Independent Auditor's Report.



**CITY OF POUGHKEEPSIE, NEW YORK  
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP Basis</u>	
Revenues:				
Real Property Taxes	\$ 25,848,002	\$ 25,848,002	\$ 26,381,589	\$ 533,587
Real Property Tax Items	1,012,330	1,012,330	1,205,233	192,903
Non Property Tax Items	16,023,947	16,023,947	14,938,552	(1,085,395)
Departmental Income	3,186,571	3,186,571	2,478,647	(707,924)
Intergovernmental Charges	135,946	135,946	54,842	(81,104)
Use of Money and Property	7,400	7,400	631,883	624,483
Licenses and Permits	806,575	806,575	882,189	75,614
Fines and Forfeitures	2,593,020	2,593,020	922,491	(1,670,529)
Sale of Property and Compensation for Loss	268,500	268,500	383,384	114,884
Miscellaneous	32,500	32,500	13,255	(19,245)
Interfund Revenues	1,476,034	1,476,034	2,230,134	754,100
State Aid	5,931,197	5,931,197	7,282,799	1,351,602
Federal Aid	9,061,891	9,061,891	8,179,061	(882,830)
<b>Total Revenues</b>	<b>66,383,913</b>	<b>66,383,913</b>	<b>65,584,059</b>	<b>(799,854)</b>
Expenditures:				
General Government Support	11,582,020	12,929,123	12,363,580	565,543
Public Safety	23,609,945	24,342,945	24,080,545	262,400
Public Health	60,086	60,086	59,389	697
Transportation	4,121,321	4,475,913	4,280,497	195,416
Economic Assistance and Opportunity	215,634	240,709	240,393	316
Culture and Recreation	5,230,711	5,688,173	5,687,205	968
Home and Community Service	636,451	679,131	669,871	9,260
Employee Benefits	19,457,347	19,457,347	19,337,892	119,455
Debt Service	-	599,000	598,389	611
<b>Total Expenditures</b>	<b>64,913,515</b>	<b>68,472,427</b>	<b>67,317,761</b>	<b>1,154,666</b>
Excess/(Deficiency) of Revenues Over Expenditures	1,470,398	(2,088,514)	(1,733,702)	354,812
Other Financing Sources/(Uses):				
Proceeds from Obligations	-	1,618,912	1,618,912	-
Operating Transfers In	3,327,557	4,668,557	4,322,927	(345,630)
Operating Transfers Out	(4,797,955)	(4,198,955)	(4,198,926)	29
<b>Total Other Financing Sources/(Uses)</b>	<b>(1,470,398)</b>	<b>2,088,514</b>	<b>1,742,913</b>	<b>(345,601)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>9,211</b>	<b>\$ 9,211</b>
Fund Balance - Beginning			2,437,172	
Fund Balance - Ending			<u>\$ 2,446,383</u>	

See Independent Auditor's Report.

# **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF POUGHKEEPSIE, NEW YORK  
COMBINING BALANCE SHEETS  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>SANITATION FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>SPECIAL GRANT FUND</b>	<b>MISCELL- ANEOUS GRANT FUND</b>	<b>JOINT WATER FUND</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 2,553	\$ 357,711	\$ 3,711	\$ 570	\$ 5,268,865	\$ 1,567,865	\$ 703,820	\$ 7,905,095
Restricted Cash (Note I.H.)	48,452	-	-	-	-	-	-	48,452
Receivables:								
Charges for Services	3,936,192	3,130,211	2,223,301	-	-	-	375	9,290,079
Other	58,558	-	5,923	-	6,813	-	-	71,294
Mortgage Loans Receivable	-	-	-	-	229,652	-	-	229,652
Due From Other Funds	2,037,229	1,145,071	-	-	-	-	992,790	4,175,090
Due From Other Governments	-	32,893	25,028	11,937	168,985	95,889	765,725	1,100,457
State and Federal Receivables	-	-	-	320,345	420,805	419,109	-	1,160,259
Prepaid Expenses	10,080	3,530	3,454	-	-	-	51,445	68,509
<b>Total Assets</b>	<b>\$ 6,093,064</b>	<b>\$ 4,669,416</b>	<b>\$ 2,261,417</b>	<b>\$ 332,852</b>	<b>\$ 6,095,120</b>	<b>\$ 2,082,863</b>	<b>\$ 2,514,155</b>	<b>\$ 24,048,887</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 458,601	\$ 854,305	\$ 462,429	\$ 58,415	\$ 478,241	\$ 123,163	\$ 378,552	\$ 2,813,706
Accrued Liabilities	6,460	6,460	83,164	-	39,695	-	23,376	159,155
Due to Other Funds	5,141,296	464,123	4,039,890	328,738	145,541	-	2,282,520	12,402,108
Due to Other Governments	-	70,005	-	-	-	-	-	70,005
Other Liabilities	75,020	61,379	-	-	93	-	-	136,492
<b>Total Liabilities</b>	<b>5,681,377</b>	<b>1,456,272</b>	<b>4,585,483</b>	<b>387,153</b>	<b>663,570</b>	<b>123,163</b>	<b>2,684,448</b>	<b>15,581,466</b>
Deferred Inflows of Resources	324,813	265,756	312,196	236,112	417,786	205,937	-	1,762,600
<b>Fund Balances</b>								
Nonspendable	10,080	3,530	3,454	-	-	-	51,445	68,509
Restricted	48,452	-	-	-	-	-	-	48,452
Assigned	28,342	2,943,858	-	-	5,013,764	1,753,763	-	9,739,727
Unassigned	-	-	(2,639,716)	(290,413)	-	-	(221,738)	(3,151,867)
<b>Total Fund Balances</b>	<b>86,874</b>	<b>2,947,388</b>	<b>(2,636,262)</b>	<b>(290,413)</b>	<b>5,013,764</b>	<b>1,753,763</b>	<b>(170,293)</b>	<b>6,704,821</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,093,064</b>	<b>\$ 4,669,416</b>	<b>\$ 2,261,417</b>	<b>\$ 332,852</b>	<b>\$ 6,095,120</b>	<b>\$ 2,082,863</b>	<b>\$ 2,514,155</b>	<b>\$ 24,048,887</b>

See Independent Auditor's Report.

**CITY OF POUGHKEEPSIE, NEW YORK  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>SANITATION FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>SPECIAL GRANT FUND</b>	<b>MISCELL- ANEOUS GRANT FUND</b>	<b>JOINT WATER FUND</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>Revenues:</b>								
Departmental Income	\$ 7,883,695	\$7,453,992	\$ 4,723,639	\$ 40	\$ 2,917	\$ 590,686	\$ -	\$ 20,654,969
Intergovernmental Charges	1,079,216	367,534	-	53,944	-	-	1,000	1,501,694
Use of Money and Property	295,974	6,482	5,637	-	74,315	6,106	125	388,639
Fines and Forfeitures	-	-	-	7,422	-	-	-	7,422
Miscellaneous	11,213	-	4,910	-	-	472,268	3,850	492,241
State Aid	-	-	-	83,994	-	680,212	-	764,206
Federal Aid	-	-	-	159,416	8,450,041	331,564	-	8,941,021
<b>Total Revenues</b>	<b>9,270,098</b>	<b>7,828,008</b>	<b>4,734,186</b>	<b>304,816</b>	<b>8,527,273</b>	<b>2,080,836</b>	<b>4,975</b>	<b>32,750,192</b>
<b>Expenditures:</b>								
General Government Support	845,632	1,031,959	520,966	-	47,700	128,221	-	2,574,478
Public Safety	-	-	-	139,078	-	134,959	-	274,037
Transportation	-	-	-	-	-	15,318	-	15,318
Culture and Recreation	-	-	-	-	-	506,028	-	506,028
Home and Community Services	811,414	4,614,740	2,991,944	-	7,580,860	19,916	2,042,413	18,061,287
Employee Benefits	101,517	64,798	726,205	-	282,602	1,645	-	1,176,767
Capital Outlay	168,791	-	-	-	158,320	485,709	956,490	1,769,310
<b>Total Expenditures</b>	<b>1,927,354</b>	<b>5,711,497</b>	<b>4,239,115</b>	<b>139,078</b>	<b>8,069,482</b>	<b>1,291,796</b>	<b>2,998,903</b>	<b>24,377,225</b>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<b>7,342,744</b>	<b>2,116,511</b>	<b>495,071</b>	<b>165,738</b>	<b>457,791</b>	<b>789,040</b>	<b>(2,993,928)</b>	<b>8,372,967</b>
<b>Other Financing Uses:</b>								
Operating Transfers In	-	668,488	-	-	-	25,025	2,871,988	3,565,501
Operating Transfers Out	(7,325,499)	(1,133,638)	(47,343)	(161,284)	-	(322,423)	-	(8,990,187)
<b>Total Other Financing Sources/(Uses)</b>	<b>(7,325,499)</b>	<b>(465,150)</b>	<b>(47,343)</b>	<b>(161,284)</b>	<b>-</b>	<b>(297,398)</b>	<b>2,871,988</b>	<b>(5,424,686)</b>
<b>Change in Fund Balances</b>	<b>17,245</b>	<b>1,651,361</b>	<b>447,728</b>	<b>4,454</b>	<b>457,791</b>	<b>491,642</b>	<b>(121,940)</b>	<b>2,948,281</b>
<b>Fund Balances - Beginning, as Previously Stated</b>	<b>69,629</b>	<b>1,296,027</b>	<b>(3,083,990)</b>	<b>(294,867)</b>	<b>4,555,973</b>	<b>1,387,121</b>	<b>-</b>	<b>3,929,893</b>
<b>Prior Period Adjustment (Note XVIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,000)</b>	<b>(48,353)</b>	<b>(173,353)</b>
<b>Fund Balances - Beginning, as Restated</b>	<b>69,629</b>	<b>1,296,027</b>	<b>(3,083,990)</b>	<b>(294,867)</b>	<b>4,555,973</b>	<b>1,262,121</b>	<b>(48,353)</b>	<b>3,756,540</b>
<b>Fund Balances - Ending</b>	<b>\$ 86,874</b>	<b>\$2,947,388</b>	<b>\$ (2,636,262)</b>	<b>\$ (290,413)</b>	<b>\$ 5,013,764</b>	<b>\$ 1,753,763</b>	<b>\$ (170,293)</b>	<b>\$ 6,704,821</b>

See Independent Auditor's Report.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SCHEDULE OF INDEBTEDNESS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Refinanced During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Due Within the Next Year
<b><u>BOND ANTICIPATION NOTES</u></b>										
LED Street Lighting - Phase II	2016	2023	2.500%	\$ 754,243	\$ -	\$ (676,440)	\$ (77,803)	\$ -	\$ 27,341	\$ -
Financial Parking Deck Repairs	2016	2023	2.500%	763,659	-	(695,630)	(68,029)	-	27,683	-
City Hall HVAC	2016	2023	2.500%	417,368	-	(333,520)	(83,848)	-	15,130	-
City Hall Roof Repairs	2016	2023	2.500%	429,611	-	(390,110)	(39,501)	-	15,573	-
Various DPW Trucks/Equipment	2017	2023	2.500%	125,623	-	(114,300)	(11,323)	-	4,554	-
Sanitation Trucks	2018	2024	5.125%	166,056	-	-	(10,000)	156,056	6,020	156,056
Fire Ladder Truck	2018	2024	5.125%	455,512	-	-	(35,000)	420,512	16,512	420,512
Reconstruction of Bridges	2019	2024	5.125%	927,340	-	-	(37,496)	889,844	33,616	889,844
Clover Street Fire Station Roof	2019	2024	5.125%	78,698	-	-	(10,000)	68,698	2,853	68,698
Howard Street Transfer Station	2019	2024	5.125%	49,568	-	-	(5,000)	44,568	1,797	44,568
Sinkhole Repair	2019	2024	5.125%	118,939	-	-	(15,000)	103,939	4,312	103,939
Mansion Street Bridge	2020	2024	5.125%	386,841	-	-	(10,000)	376,841	14,023	376,841
Financial Plaza Deck	2022	2024	5.125%	73,513	-	-	(5,000)	68,513	2,665	68,513
Sanitation Vehicle	2020	2024	5.125%	228,106	-	-	(10,000)	218,106	8,269	218,106
Street Sweeper	2022	2024	5.125%	250,130	-	-	(12,000)	238,130	9,067	238,130
Sweeper and Ejecter Trailer	2020	2024	5.125%	34,686	-	-	(5,000)	29,686	1,257	29,686
City Hall Parking Garage Projects	2021	2024	5.125%	158,735	-	-	(10,000)	148,735	5,754	148,735
City Hall Security Cameras/Computers	2021	2024	5.125%	114,140	-	-	(10,000)	104,140	4,138	104,140
Park Improvements	2021	2024	5.125%	347,232	-	-	(20,000)	327,232	12,587	327,232
<b>TOTAL VARIOUS PURPOSE BANS</b>				<b>5,880,000</b>	<b>-</b>	<b>(2,210,000)</b>	<b>(475,000)</b>	<b>3,195,000</b>	<b>213,151</b>	<b>3,195,000</b>
Pump Station Renovation - EFC	2020	2027	0.000%	6,754,965	1,463,181	-	(175,932)	8,042,214	-	-
EFC D0-18698A	2023	2027	3.200%	-	965,203	(965,203)	-	-	9,571	-
<b>TOTAL BOND ANTICIPATION NOTES</b>				<b>12,634,965</b>	<b>2,428,384</b>	<b>(3,175,203)</b>	<b>(650,932)</b>	<b>11,237,214</b>	<b>222,722</b>	<b>3,195,000</b>
<b><u>RETIREMENT SYSTEM OBLIGATIONS</u></b>										
NYS Employees' Retirement System Obligations	2013	2023	3.000%	86,569	-	-	(86,569)	-	2,597	-
NYS Police & Fire Retirement System Obligations	2013	2023	3.000%	84,006	-	-	(84,006)	-	2,520	-
NYS Employees' Retirement System Obligations	2014	2024	3.670%	107,218	-	-	(107,218)	-	5,938	-
NYS Police & Fire Retirement System Obligations	2014	2024	3.670%	135,337	-	-	(66,449)	68,888	4,967	68,888
NYS Employees' Retirement System Obligations	2015	2025	3.150%	172,526	-	-	(172,526)	-	10,981	-
NYS Police & Fire Retirement System Obligations	2015	2025	3.150%	154,048	-	-	(49,765)	104,283	4,853	51,333
<b>TOTAL RETIREMENT SYSTEM OBLIGATIONS</b>				<b>739,704</b>	<b>-</b>	<b>-</b>	<b>(566,533)</b>	<b>173,171</b>	<b>31,856</b>	<b>120,221</b>

See Independent Auditor's Report.

**CITY OF POUGHKEEPSIE, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SCHEDULE OF INDEBTEDNESS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Refinanced During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Due Within the Next Year
<b><u>INSTALLMENT PURCHASE DEBT</u></b>										
Parking Meters	2020	2025	2.552%	\$ 295,585	\$ -	\$ -	\$ (96,028)	\$ 199,557	\$ 7,632	\$ 98,507
<b><u>LEASE LIABILITY</u></b>										
Fleet Vehicle Lease	2019	2028	3.25%	431,727	475,218	-	(134,484)	772,461	13,046	229,175
City-wide Copier Lease	2022	2027	5.40%	129,012	-	-	(26,029)	102,983	6,184	27,470
<b>TOTAL LEASE LIABILITY</b>				<b>560,739</b>	<b>475,218</b>	<b>-</b>	<b>(160,513)</b>	<b>875,444</b>	<b>19,230</b>	<b>256,645</b>
<b><u>SBITA LIABILITY</u></b>										
Tyler ERP Accounting System	2023	2026	8.00%	-	330,309	-	(107,453)	222,856	11,536	112,254
Tyler Tax Module	2023	2026	8.25%	-	183,625	-	(61,380)	122,245	4,923	60,754
Tyler Public Safety Solutions	2023	2031	7.50%	-	629,760	-	(41,089)	588,671	45,838	46,975
<b>TOTAL SBITA LIABILITY</b>				<b>-</b>	<b>1,143,694</b>	<b>-</b>	<b>(209,922)</b>	<b>933,772</b>	<b>62,297</b>	<b>219,983</b>
<b><u>SERIAL BONDS, EXCLUDING BOND PREMIUM</u></b>										
EFC Drinking Water Facility - Joint Water	2002	2023	2.95%	320,000	-	-	(320,000)	-	9,440	-
Public Improvement	2012	2025	2.579 - 6.189%	435,000	-	(435,000)	-	-	26,810	-
Public Improvement	2012	2028	2.95%	225,000	-	(190,000)	(35,000)	-	12,944	-
Public Improvement	2013	2030	0.790 - 4.612%	450,000	-	(450,000)	-	-	20,393	-
Public Improvement	2014	2023	3.125 - 3.50%	785,000	-	-	(785,000)	-	13,738	-
Public Improvement	2010	2024	0.383 - 3.677%	360,000	-	-	(180,000)	180,000	9,922	180,000
Library Purpose	2014	2038	4.50 - 5.00%	2,115,000	-	-	(90,000)	2,025,000	96,163	100,000
Public Improvement	2015	2033	4.00 - 4.50%	3,295,000	-	-	(255,000)	3,040,000	131,775	260,000
Public Improvement	2015	2034	4.00%	750,000	-	-	(45,000)	705,000	29,100	45,000
Public Improvement	2015	2026	4.227 - 4.775%	126,000	-	-	(30,000)	96,000	5,172	32,000
EFC Drinking Water Facility - Joint Water	2015	2025	3.635 - 4.015%	21,000	-	-	(7,000)	14,000	698	7,000
EFC Drinking Water Facility - Joint Water	2017	2047	1.503 - 3.754%	9,110,000	-	-	(245,000)	8,865,000	315,018	250,000
Refunding Bonds	2019	2031	5.000%	10,475,000	-	-	(2,250,000)	8,225,000	467,500	1,855,000
Refunding Bonds - Library	2021	2030	4.000%	2,695,000	-	-	(295,000)	2,400,000	99,650	300,000
Refunding Bonds	2021	2027	4.000%	1,690,000	-	-	(310,000)	1,380,000	59,150	320,000
EFC D0-18120	2022	2051	0.000%	8,103,660	-	-	(279,440)	7,824,220	-	279,440
EFC 2023A	2023	2030	0.790 - 4.612%	-	-	450,000	(50,000)	400,000	-	55,000
EFC 2023A	2023	2025	2.579 - 6.189%	-	-	435,000	(140,000)	295,000	-	145,000
EFC 2023A	2023	2028	2.95%	-	-	190,000	-	190,000	-	35,000
2023 Public Improvement Bonds	2023	2030	5.000%	-	-	2,210,000	-	2,210,000	-	225,000
EFC 2023 - Joint Water	2023	2053	3.5510 - 3.7810%	-	83,657	965,203	-	1,048,860	-	30,000
<b>TOTAL SERIAL BONDS</b>				<b>40,955,660</b>	<b>83,657</b>	<b>3,175,203</b>	<b>(5,316,440)</b>	<b>38,898,080</b>	<b>1,297,473</b>	<b>4,118,440</b>
<b>TOTAL INDEBTEDNESS</b>				<b>\$ 55,186,653</b>	<b>\$ 4,130,953</b>	<b>\$ -</b>	<b>\$ (7,000,368)</b>	<b>\$ 52,317,238</b>	<b>\$ 1,641,210</b>	<b>\$ 8,008,796</b>

See Independent Auditor's Report.

## BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as “APPENDIX-H” to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$498.6 million, \$253.4 million and \$245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at [www.bambonds.com](http://www.bambonds.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under “APPENDIX H - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.





**BAM**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_  
Member Surplus Contribution: \$ \_\_\_\_\_  
Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN