

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$7,500,000
TOWN OF BETHEL
SULLIVAN COUNTY, NEW YORK
\$7,500,000 Bond Anticipation Notes, 2025
(the "Notes")

Dated: May 15, 2025

Due: May 15, 2026

The Notes are general obligations of the Town of Bethel, Sullivan County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be subject to redemption prior to maturity on or after September 15, 2025 at par upon 20 days' written notice.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town. Paying agent fees, if any, will be the responsibility of the purchaser should the purchaser choose to engage same.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as 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 thereon. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town 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 Town 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 Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about May 15, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on May 6, 2025 by no later than 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

April 28, 2025

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

TOWN OF BETHEL
SULLIVAN COUNTY, NEW YORK

TOWN OFFICIALS

TOWN BOARD

DANIEL STURM

Town Supervisor/Budget Officer

COUNCIL MEMBERS

BERNARD COHEN
LILLIAN HENDRICKSON
WENDY BROWN
WILLIAM CRUMLEY

* * * * *

RITA J. SHEEHAN

Town Clerk

KELLY BONNACI

Confidential Secretary/Bookkeeper

MARVIN NEWBERG, ESQ

Attorney for the Town



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP

Bond Counsel

No person has been authorized by the Town 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 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 Town.

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
of the
TOWN OF BETHEL
SULLIVAN COUNTY, NEW YORK

Relating To
\$7,500,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Bethel, Sullivan County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$7,500,000 Bond Anticipation Notes, 2025 (referred to herein as the “Notes”).

The factors affecting the Town's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town 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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the laws of the State of New York. All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “TAX LEVY LIMITATION LAW” herein.

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes. See “Nature of Obligation” herein.

The Notes are dated May 15, 2025 and mature on May 15, 2026, with the option of redemption prior to maturity on or after September 15, 2025, at par upon 20 days’ written notice. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, 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. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the Town Clerk, in Lagrangeville, New York.

Optional Redemption

The Notes will be subject to redemption prior to maturity on or after September 15, 2025, at par upon 20 days’ written notice.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State including, among others, the Local Finance Law and bond resolutions of the Town adopted on October 25, 2023 and December 16, 2024 authorizing the construction of a new highway garage in and for the Town at an aggregate maximum estimated cost of \$10,500,000, with an aggregate of \$7,500,000 bonds of the Towns authorized to finance such project.

The project is anticipated to ultimately be financed through the United States Department of Agriculture in the form of two statutory installment bonds anticipated in the amounts of \$6,300,000 at a rate of 3.625%, and \$1,200,000 at a rate of 3.875%, respectively, with each anticipated to mature in the years 2026-2055.

The proceeds of the Notes will represent the first borrowing against these authorizations and will provide \$7,500,000 in new monies for the project.

Nature of Obligation

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

Holders of any series of bonds or notes of the Town 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 Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town 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 Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, 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 Town is required to pledge its faith and credit for the payment of the principal of and interest on the 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 Town’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.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, ensuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are

constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes if selected by the purchaser(s). As such, the 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 note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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”). DTC has Standard & Poor’s highest rating: AAA. 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.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all 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 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Principal and interest payments on the 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 Town, 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 Town, 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 Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE 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 TOWN 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 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 NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN 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 Notes

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town 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 utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain subject to redemption prior to their stated final maturity date. See "Optional Redemption" herein.

THE TOWN

General Information

The Town is located in the in the southern sector of the Catskill Mountains in the County of Sullivan. The Town encompasses an area of 93.5 square miles and has an estimated population of 3,997 (2023 U.S. Census estimate) which expands to approximately 10,000 during the summer season.

Major highways within or in close proximity to the Town include Route 17 (The Southern Tier Expressway) which runs east-west and connects with Interstate 90 near Erie, Pennsylvania and Interstate Route 87, which extends north to Canada and south to New York City.

The Sullivan County Airport and the Sullivan County Industrial Park are in the center of the Town.

Local Economy

There are many opportunities in the Town from home businesses to agricultural, and small or large commercial entities. The Bethel Woods Performing Arts Center is a 15,000-seat outdoor performing arts venue and continues to be a draw for the area. Businesses have developed around the venue to support the crowds that come to the area to enjoy musical performances. The Town is also well known for its numerous lakes, excellent fishing areas, and recreation programs.

The Chatwal Lodge is a luxury resort located within Chapin Estate, a housing development off Route 55 in the Town of Bethel. Nestled among 26 acres along the wooded shores of the Toronto Reservoir, The Chatwal Lodge is designed to include 34 private villas and suite accommodations, refined rustic design and farm-to-table culinary experiences. All accommodations will be private villas, suites, cabins, tree houses and glamour tents. The developer also intends to include restaurants, event venues and a spa.

Source: Town officials.

Larger Employers

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
County of Sullivan	Government	1,060
Monticello Central School District	K-12 Education	624
The Bethel Woods Performing Arts Center	Seasonal Cultural Center	400
Camp Chipinaw	Seasonal Sleep-away Summer Camp	380
Town of Bethel	Municipality	70 (50 year-round & 20 seasonal)
HudVal	Agricultural	65
	Emergency Services	43
Woodstone Companies	Real Estate/Single Family Home Construction	25

Source: Town officials.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Bethel	\$ 24,777	\$ 35,526	\$ 39,568	\$ 57,780	\$ 76,250	\$ 95,625
County of:						
Sullivan	23,422	32,346	40,474	63,506	72,302	88,086
State of:						
New York	32,382	40,898	49,520	70,670	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 and 2016-2020, and 2019-2023 5-Year American Community Survey estimates data.

Population Trends

	<u>Town of Bethel</u>	<u>Sullivan County</u>	<u>New York State</u>
1990	3,693	69,277	17,990,455
2000	4,362	73,966	18,976,457
2010	4,225	77,547	19,378,102
2020	3,959	78,624	20,201,249
2024 (Estimate)	N/A ⁽¹⁾	80,450	19,867,248

⁽¹⁾ 2024 population estimates are not currently available for the Town. The Town’s 2023 estimated population is 3,997.

Source: U.S. Census Bureau.

Unemployment Rate Statistics

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

	<u>Annual Averages</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>
Sullivan County	5.1%	4.2%	4.0%	8.8%	5.2%	3.5%	3.3%	3.6%
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>
Sullivan County	4.1%	4.5%	3.9%	N/A
New York State	4.6%	4.3%	4.1%	N/A

Note: Unemployment rates for April of 2025 are unavailable as of the date of this Official Statement.

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

Financial Organization

As Chief Fiscal Officer, the Town Supervisor is directly responsible for all financial and budgetary transactions of the Town. The duties include administration, direction and control of the following divisions: Accounting, Purchasing, Accounts Payable, Accounts Receivable, Audit and Control, Budgeting, and Payroll/Personnel as specified in the New York State Town Law.

Form of Town Government

The Chief Executive Officer and the Chief Fiscal Officer is the Town Supervisor who is elected to a term of two years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to four-year terms, which are staggered so that two Board Members (council people) are elected every two years. There is no limitation as to the number of terms which may be served by members of the Board.

The Town Clerk is elected to a two-year term. The Town Budget Officer is appointed yearly. The Town Board annually appoints the attorney for the Town. The Tax Collector is elected to a two-year term.

Budgetary Procedures

The Town Supervisor is the Chief Fiscal Officer of the Town. The Town has a Budget Officer. The Budget Officer develops a tentative budget, which is presented to the Town Board in the fall of each year. During the next four weeks the Town Board further develops the budget into a preliminary budget, which is presented at a public hearing in early November. After final revisions are made by the Town Board, a budget is adopted. All modifications of the budget must be approved by the governing board.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Town presently invests only in savings accounts, money market accounts and certificate of deposits.

State Aid

The Town receives financial assistance from the State. In its General Fund adopted budget for the 2025 fiscal year, approximately 4.58% of the operating revenues of the Town are expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS").

Employees

Employees of the Town who are represented by unions are as follows:

<u>Bargaining Unit</u>	<u>Number of Employees</u>	<u>Contract Expiration</u>
AFSCME – NY Council 66	14	December 31, 2026

Source: Town officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State ("ERS" or the "Retirement System"). The ERS is generally also known as the "Common Retirement Fund". The Retirement System is a cost-sharing multiple employer retirement system. 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 System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in 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 System.

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.

For ERS, 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 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 ERS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% based on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- The final average earnings is based on the average of the three highest consecutive years of earnings for members who retire on or after April 20, 2024 for ERS.

The Town’s contributions to the ERS for the years 2020 through 2024 and the amount budgeted for 2025 are as follows:

<u>Fiscal Year</u>	<u>ERS</u>
2020	\$ 238,481
2021	243,709
2022	244,233
2023	171,002
2024	213,259
2025 (Budgeted)	245,642

Source: Town 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. The Town does not have any early retirement incentives outstanding or contemplated at this time.

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 rates (2021-22 to 2025-26) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>
2021-22	16.2%
2022-23	11.6
2023-24	13.1
2024-25	15.2
2025-26	16.5

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 the Local Police and Fire Retirement System ("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 Town, 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.

The Town is not amortizing or smoothing any pension payments, nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Town's employees is not subject to the direction of the Town. 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 Town 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. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such 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 recent years, 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 Town Board voted to terminate the Ambulance District’s LOSAP, effective December 31, 2023. As a result, the Town no longer reports Total Pension Liability for the present value of the pension liability. See “APPENDIX – D” for further explanation and information.

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

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which bonds and notes are to be issued, is the Town Law and the Local Finance Law.

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

No principal or interest upon any obligation of this Town is past due.

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

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 Town.

Financial Statements

The Town retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the Town. The Annual Financial Report (unaudited) and Audited Financial Statements for the fiscal year ended December 31, 2024 are not available as of the date of this Official Statement. It is anticipated that the unaudited Annual Financial Report for the fiscal year ended December 31, 2024 will be available in May 2025. The Audited Financial Statements for the fiscal year ended December 31, 2023 are attached hereto as “APPENDIX – D”.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. 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 ending December 31, 2003, the Town was required to issue its audited 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 Town is and has been in compliance with GASB Statement No. 34 for all years required.

Unaudited Results for the Fiscal Year Ending December 31, 2024

Based on preliminary estimates, the Town ended the fiscal year ending December 31, 2024 with a cumulative unappropriated unreserved fund balance of \$4,300,000.

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

Revenues:	\$ 3,724,366
Expenditures:	<u>2,874,539</u>
Excess (Deficit) Revenues Over Expenditures:	\$ 849,827
Beginning Fund Balance December 31, 2023:	<u>\$ 4,284,122</u>
Total Fund Balance December 31, 2024:	<u>\$ 5,133,949</u> ⁽¹⁾

⁽¹⁾ Includes reserves.

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

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town 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.

There have not been any State Comptroller’s audits of the Town published in the past five years. There are no State Comptroller’s audits of the Town that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2018 through 2022 fiscal years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	3.3
2019	No Designation	3.3

Source: Website of the Office of the New York State Comptroller. 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

Taxable Valuations

<u>Year of Town Tax Roll</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 475,542,322	\$ 482,350,967	\$ 490,289,653	\$ 505,839,379	\$ 517,614,939
New York State Equalization Rate	58.00%	58.00%	50.30%	39.30%	37.00%
Total Taxable Full Valuation	\$ 819,900,555	\$ 831,639,598	\$ 974,730,920	\$ 1,287,123,102	\$ 1,398,959,295

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Town	\$9.74	\$9.89	\$10.13	\$10.13	\$10.34

Source: Town officials.

Tax Collection Procedure

Taxes are assessments are payable during January without penalty. Beginning February 1st, one per centum is added; beginning March 1st two per centum is added. After March 30th the tax roll is returned to the County and taxes plus penalties are payable to the County Treasurer. The Town retains the total amount of Town, highway, and special district levies from the total collections and returns the balance plus the uncollected items to the County, assuring the Town of receiving 100% of its tax levy.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 4,532,565	\$ 4,675,980	\$ 4,852,260	\$ 4,990,076	\$ 5,204,960
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ The Town receives 100% of its tax levy from the County. See “Tax Collection Procedure.”

Source: Town officials.

Ten Largest Taxpayers – 2024 Assessment for 2025 Town Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
The Bethel Woods Performing Arts Center	Seasonal Cultural Center	\$ 20,402,939
Chapin Propco LLC	Developer	10,181,387
New York State Electric & Gas	Utility	8,462,584
County of Sullivan	Government	7,746,200
Iroquois Hunting	Hunting Club	6,850,400
Chapin Hospitality Group PLLC	Arts/Entertainment	4,272,917
State of New York	Government	3,530,500
United Talmudical Academy	Religious Organization	3,230,600
Camp Chipinaw Realty Co., LLC	Campground/Sports	2,282,400
Silver Lake Realty	Campground/Sports	1,965,010

The largest taxpayers listed above have a total taxable valuation of \$68,924,937, which represents 13.32% of the Town’s total taxable assessed valuation for 2025.

The Town is subject to a number of tax certiorari appeals on an annual basis, none of which are reasonably expected to have a significant impact on the finances of the Town.

Source: Town officials.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans’ and senior citizens’ exemptions are offered to those who qualify.

The assessment roll of the Town is constituted approximately as follows: 80% Residential, 15% Commercial and Industrial and 5% - Other.

The total property tax bill for residential property located in the Town with an assessed taxable value of \$150,000 is approximately \$7,500 including County, School District and special purpose Town taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limitation Law") applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (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 Town and its indebtedness (including the Bonds), include the following provisions:

Purpose and Pledge. Subject to certain enumerated exceptions, the Town 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 Town may contract indebtedness only for a Town 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 Town 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 Town has the power to contract indebtedness for any Town 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 Town 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 Town 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 Town 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 Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Town Board. Customarily, the Town Board has delegated to the Town Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond ordinance 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 Town 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.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, 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) restrictions relating to the period of probable usefulness with respect thereto.

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. (See “Payment and Maturity” under “Constitutional Requirements” herein.)

In general, the Local Finance Law contains provisions providing the Town 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>Fiscal Years Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 4,662,497	\$ 4,236,014	\$ 3,872,280	\$ 5,994,242	\$ 5,674,347
Bond Anticipation Notes	0	555,655	2,572,500	0	0
Operating Leases and Other Debt ⁽¹⁾	<u>37,500</u>	<u>78,834</u>	<u>78,834</u>	<u>78,834</u>	<u>78,834</u>
Total Debt Outstanding	<u>\$ 4,699,997</u>	<u>\$ 4,870,503</u>	<u>\$ 4,870,503</u>	<u>\$ 6,073,076</u>	<u>\$ 5,753,181</u>

⁽¹⁾ Does not constitute general obligation indebtedness of the Town.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of April 28, 2025.

<u>Bonds</u>	<u>Maturity</u>	<u>Amount</u>
	2025-2052	\$ 5,504,314
<u>Bond Anticipation Notes</u>	---	<u>0</u>
	Total Indebtedness	<u>\$ 5,504,314</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 28, 2025:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,062,470,694
Debt Limit – 7% thereof	74,372,949

Inclusions:

Bonds.....	\$ 5,504,314	
Bond Anticipation Notes	<u>0</u>	
Total Inclusions.....		\$ <u>5,504,314</u>

Exclusions:

Appropriations ⁽¹⁾	\$ 151,000	
Water Debt ⁽²⁾	<u>0</u>	
Sewer Debt ⁽³⁾	<u>0</u>	
Total Exclusions.....		\$ <u>151,000</u>

Total Net Indebtedness Subject to Debt Limit.....\$ 5,353,314

Net Debt-Contracting Margin.....\$ 69,019,635

The percent of debt contracting power exhausted is 7.20%

- (1) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- (3) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The Town has not issued revenue anticipation notes or tax anticipation notes in the past, nor deficiency or budget notes, and does not plan on issuing such notes in the foreseeable future.

Future Capital Project Plans

On October 25, 2023 and December 16, 2024, the Town authorized the construction of a new town garage at a maximum aggregate cost of \$10,500,000, to be permanently financed with the issuance of up to \$7,500,000 bonds, with statutory installment bond issuances in the amounts of \$6,300,000 and \$1,200,000 anticipated through the United States Department of Agriculture Rural Development. The proceeds of the Notes will provide new monies for this purpose.

The Town does not otherwise have any authorized and unissued debt for any projects at this time; however, the Town is contemplating a future Town Hall project. The potential project would be anticipated to cost up to \$3 million. The Town would anticipate financing the project through United States Department of Agriculture indebtedness and the use of Town funds.

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Estimated Overlapping Indebtedness

In addition to the Town, 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 Town. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Net Indebtedness</u>
County of:						
Sullivan	6/29/2024 ⁽³⁾	\$ 101,240,000	\$ 2,300,000 ⁽²⁾	\$ 98,940,000	8.91%	\$ 8,815,554
School District:						
Sullivan West CSD	12/26/2024 ⁽³⁾	8,000,000	5,632,000 ⁽⁵⁾	2,368,000	8.13%	192,518
Monticello CSD	12/23/2024 ⁽³⁾	40,790,000	25,208,220 ⁽⁵⁾	15,581,780	21.74%	3,387,479
Liberty CSD	12/20/2024 ⁽³⁾	6,650,000	6,144,600 ⁽⁵⁾	505,400	12.74%	64,388
Fire District:						
White Lake Fire Co.	12/31/2023 ⁽⁴⁾	-	- ⁽⁶⁾	-	100.00%	-
Mongaup Valley Fire Co.	12/31/2023 ⁽⁴⁾	121,330	- ⁽⁶⁾	121,330	100.00%	121,330
Kauneonga Lake Fire Co.	12/31/2023 ⁽⁴⁾	77,023	- ⁽⁶⁾	77,023	100.00%	77,023
Total:						<u>\$ 12,658,292</u>

- (1) 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) 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.
- (3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross Indebtedness sourced from local government data provided by the State Comptroller’s office.
- (5) Estimated State Building Aid
- (6) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of April 28, 2025:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 5,353,314	\$ 1,339.33	0.38%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	18,011,606	4,506.28	1.29%

- (a) The 2023 estimated population of the Town is 3,997. (See “THE TOWN – Population” herein.)
- (b) The full value of taxable real estate for the Town’s 2025 tax roll is \$1,398,959,295. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
- (c) See “Debt Statement Summary” herein.
- (d) Estimated net overlapping indebtedness is \$12,658,292. (See "Estimated Overlapping Indebtedness" herein.)

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SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town 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 Town 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 Notes in the event of a default in the payment of the principal of and interest on the 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 Town may not be enforced by levy and execution against property owned by the Town.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Town, 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 Notes should the Town 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.

The rights of the owners of Notes to receive interest and principal from the Town could be adversely affected by the restructuring of the Town'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 Town (including the 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 Town 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.

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.

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 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 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 Town.

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 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 or 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.

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. 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. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides 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 “THE NOTES - Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the 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 investment risk.

The financial and economic condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town’s control. There can be no assurance that adverse events in the State and in other jurisdictions, 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 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 Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The Town 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 Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In some years, the Town 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").

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town's financial condition. These factors may have an effect on the market price of the Notes.

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 Notes should elect to sell a Bond 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 Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the 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 Notes and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

Cybersecurity. The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

Federal Policy Risk. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

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"), the Town will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which, is attached hereto as "APPENDIX – C".

Historical Compliance

Except as mentioned below, the Town is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12:

The Town failed to provide its Audited Financial Statements and Annual Financial Information and Operating Data for the fiscal year ended December 31, 2019 within the timeline stated in the Town's existing undertaking agreements. The Audited Financial Statements and Annual Financial Information and Operating Data were filed on August 28, 2020 and September 18, 2020, respectively, and a material event notice disclosing its failure to timely file was filed to EMMA on September 18, 2020. The Town failed to provide its Audited Financial Statements for the fiscal year ended December 31, 2021 within the timeline started in the Town's existing undertaking agreements. The Audited Financial Statements, along with a notice of the Town's failure to provide timely notice of the delay in the provision of said Audited Financial Statements, was filed to EMMA on April 21, 2025. The Town is aware of its future obligations to provide certain information under Rule 15c2-12.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York (or any political subdivision thereof, including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – E” hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The Town has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect a Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made in recent years which would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Notes substantially in the form set forth in “APPENDIX – E” hereto.

LITIGATION

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

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), serves as independent financial advisor to the Town 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 Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town 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 Town to the Municipal Advisor are partially contingent on the successful closing of the 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 Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town; provided, however, the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the Town and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the Town, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See "APPENDIX – C" herein).

Moody's Investors Service, Inc. ("Moody's") has assigned its rating of "Aa3" to the Town's outstanding general obligation bonds. This rating reflects only the view of Moody's, and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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 particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, 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 outstanding bonds.

MISCELLANEOUS

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 Town management's beliefs as well as assumptions made by, and information currently available to, the Town 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 Town's files with the repositories. When used in Town 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.

To the extent 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 which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

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.

Concurrently with the delivery of the Notes will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Town as to which no representation can be made.

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at 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 Town nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the Town 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 Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town contact information is as follows: Daniel Sturm, Town Supervisor, Town of Bethel, 3454 State Route 55, White Lake, New York 12786, Phone: (845) 583-4350 x102, Email: bethelsupervisor@libertybiz.rr.com.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com and www.fiscaladvisorsauction.com.

TOWN OF BETHEL

Dated: April 28, 2025

DANIEL STURM
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash	\$ 1,086,763	\$ 1,516,507	\$ 2,092,951	\$ 3,350,212	\$ 3,871,917
Cash - Restricted	135,637	135,737	135,756	135,770	135,784
Accounts Receivable	102,658	190,980	104,364	116,846	159,126
Due from Other Funds	-	37,500	233,600	188,600	603,600
Due from State and Federal	-	-	10,000	-	-
Due from Other Governments	25,865	47,859	177,620	43,677	41,167
Due from Related Parties	65,404	65,404	65,404	65,404	65,404
Leases Receivable	-	-	-	-	488,584
TOTAL ASSETS	\$ 1,416,327	\$ 1,993,987	\$ 2,819,695	\$ 3,900,509	\$ 5,365,582
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 28,756	\$ 34,278	\$ 78,306	\$ 44,088	\$ 34,935
Accrued Liabilities	4,055	2,060	14,745	13,200	9,693
Other Deposits	-	-	-	-	185,715
Due to Other Funds	14,907	16,155	-	7,311	7,311
Due to Other Governments	7,500	17,585	7,444	3,750	5,004
Due to State Retirement System	91,016	91,160	100,742	66,691	83,171
Payroll Liabilities	-	-	-	-	-
Escrow Liabilities	-	-	169,007	-	-
Deferred Inflows	-	-	-	-	510,167
Unearned Revenues	-	-	-	-	15,000
Other Liabilities	-	168,083	130,280	469,821	240,375
TOTAL LIABILITIES	146,234	329,321	500,524	604,861	1,091,371
FUND EQUITY					
Nonspendable	\$ 55,404	\$ 92,904	\$ 189,004	\$ 244,004	\$ 659,004
Restricted	135,637	135,737	135,756	135,770	135,784
Assigned	175,000	175,000	150,000	150,000	150,000
Unassigned	904,052	1,261,025	1,844,411	2,765,874	3,329,423
TOTAL FUND EQUITY	1,270,093	1,664,666	2,319,171	3,295,648	4,274,211
TOTAL LIABILITIES and FUND EQUITY	\$ 1,416,327	\$ 1,993,987	\$ 2,819,695	\$ 3,900,509	\$ 5,365,582

Source: Audited Financial Statements of the Town.
This Appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 1,845,205	\$ 1,905,631	\$ 1,965,485	\$ 1,999,920	\$ 2,152,886
Other Tax Items	61,415	70,526	68,087	73,151	84,136
Non Property Tax Items	86,936	100,091	90,317	91,868	101,635
Departmental Income	192,104	196,215	263,707	214,354	468,900
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	1,978	11,992	17,379	5,137	20,101
Licenses and Permits	3,762	4,622	2,409	2,025	1,790
Fines and Forfeitures	127,256	101,175	74,151	85,241	72,535
Sale of Property and Compensation for Loss	11,025	3,934	1,670	16,790	7,636
Miscellaneous	36,753	51,975	97,157	105,700	47,731
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	192,267	240,508	161,893	374,083	446,332
Revenues from Federal Sources	-	-	-	82,796	46,495
Total Revenues	<u>\$ 2,558,701</u>	<u>\$ 2,686,669</u>	<u>\$ 2,742,255</u>	<u>\$ 3,051,065</u>	<u>\$ 3,450,177</u>
EXPENDITURES					
General Government Support	\$ 707,454	\$ 724,245	\$ 738,763	\$ 757,018	\$ 788,477
Education	-	-	-	-	-
Public Safety	338,640	375,763	373,202	274,269	340,789
Health	1,009	1,009	1,029	1,060	1,092
Transportation	128,802	126,535	139,496	141,660	138,386
Economic Assistance and Opportunity	626	594	590	904	962
Culture and Recreation	290,323	285,075	176,515	255,751	227,128
Home and Community Services	128,274	152,861	154,289	181,684	144,238
Employee Benefits	777,647	762,249	746,066	766,858	817,628
Debt Service	76,161	74,804	17,732	17,356	15,000
Total Expenditures	<u>\$ 2,448,936</u>	<u>\$ 2,503,135</u>	<u>\$ 2,347,682</u>	<u>\$ 2,396,560</u>	<u>\$ 2,473,700</u>
Excess of Revenues Over (Under) Expenditures	<u>109,765</u>	<u>183,534</u>	<u>394,573</u>	<u>654,505</u>	<u>976,477</u>
Other Financing Sources (Uses):					
Operating Transfers In	5,285	-	-	-	-
Operating Transfers Out	(31,379)	(15,602)	-	-	-
Other Budgetary Purposes	-	-	-	-	-
Total Other Financing	<u>(26,094)</u>	<u>(15,602)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>83,671</u>	<u>167,932</u>	<u>394,573</u>	<u>654,505</u>	<u>976,477</u>
FUND BALANCE					
Fund Balance - Beginning of Year	1,025,990	1,102,161	1,270,093	1,664,666	2,319,171
Prior Period Adjustments (net)	(7,500)	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,102,161</u>	<u>\$ 1,270,093</u>	<u>\$ 1,664,666</u>	<u>\$ 2,319,171</u>	<u>\$ 3,295,648</u>

Source: Audited Financial Statements of the Town. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending December 31:

	2023			2024	2025
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 2,364,674	\$ 2,364,674	\$ 2,364,674	\$ 2,470,294	\$ 2,625,054
Other Tax Items	67,617	67,617	83,192	67,617	67,617
Non Property Tax Items	70,000	70,000	109,385	75,000	77,000
Departmental Income	149,150	149,150	291,453	160,350	165,350
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	1,000	1,000	210,645	10,000	48,000
Licenses and Permits	2,500	2,500	2,007	2,100	1,800
Fines and Forfeitures	69,000	69,000	99,296	68,000	68,000
Sale of Property and Compensation for Loss	750	750	3,426	1,000	1,000
Miscellaneous	17,000	17,000	42,816	17,000	25,500
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	137,726	137,726	407,106	147,726	147,726
Revenues from Federal Sources	-	-	68,819	-	-
Total Revenues	\$ 2,879,417	\$ 2,879,417	\$ 3,682,819	\$ 3,019,087	\$ 3,227,047
EXPENDITURES					
General Government Support	\$ 864,900	\$ 864,900	\$ 872,045	\$ 907,715	\$ 948,596
Education	-	-	-	-	-
Public Safety	397,332	397,332	349,078	387,198	391,466
Health	2,124	2,124	-	2,158	2,204
Transportation	153,840	153,840	146,200	155,686	161,432
Economic Assistance and Opportunity	1,000	1,000	792	1,000	1,000
Culture and Recreation	218,669	218,669	264,586	223,496	227,141
Home and Community Services	181,352	181,352	148,644	172,023	181,507
Employee Benefits	870,200	870,200	907,285	979,811	1,063,701
Debt Service	340,000	340,000	15,900	340,000	400,000
Total Expenditures	\$ 3,029,417	\$ 3,029,417	\$ 2,704,530	\$ 3,169,087	\$ 3,377,047
Excess of Revenues Over (Under) Expenditures	(150,000)	(150,000)	978,289	(150,000)	(150,000)
Other Financing Sources (Uses):					
Operating Transfers In	-	-	274	-	-
Operating Transfers Out	-	-	-	-	-
Appropriated Fund Balance	150,000	150,000	-	150,000	150,000
Total Other Financing	150,000	150,000	274	150,000	150,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	978,563	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	3,295,648	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 4,274,211	\$ -	\$ -

Source: Audited Financial Statements and 2024 and 2025 adopted budgets (unaudited) of the Town. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	\$ 321,033	\$ 38,890	\$ 359,923
2026	327,171	32,917	360,088
2027	333,294	26,745	360,039
2028	339,446	20,372	359,818
2029	319,584	13,800	333,384
2030	330,722	9,450	340,172
2031	336,859	4,800	341,659
2032	177,997	-	177,997
2033	179,135	-	179,135
2034	180,273	-	180,273
2035	181,410	-	181,410
2036	182,548	-	182,548
2037	183,686	-	183,686
2038	184,823	-	184,823
2039	185,961	-	185,961
2040	187,099	-	187,099
2041	188,236	-	188,236
2042	189,374	-	189,374
2043	190,512	-	190,512
2044	191,650	-	191,650
2045	192,787	-	192,787
2046	193,925	-	193,925
2047	93,293	-	93,293
2048	94,430	-	94,430
2049	95,568	-	95,568
2050	96,706	-	96,706
2051	97,844	-	97,844
2052	98,981	-	98,981
TOTALS	\$ 5,674,347	\$ 146,974	\$ 5,821,321

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2016			2023		
	Sewer Rehabilitation - 0% Interest Subsidy			Sewer Rehabilitation - 0% Interest Subsidy		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 101,770	\$ -	\$ 101,770	\$ 68,263	\$ -	\$ 68,263
2026	101,770	-	101,770	69,401	-	69,401
2027	101,770	-	101,770	70,524	-	70,524
2028	101,770	-	101,770	71,676	-	71,676
2029	101,770	-	101,770	72,814	-	72,814
2030	101,770	-	101,770	73,952	-	73,952
2031	101,770	-	101,770	75,089	-	75,089
2032	101,770	-	101,770	76,227	-	76,227
2033	101,770	-	101,770	77,365	-	77,365
2034	101,770	-	101,770	78,503	-	78,503
2035	101,770	-	101,770	79,640	-	79,640
2036	101,770	-	101,770	80,778	-	80,778
2037	101,770	-	101,770	81,916	-	81,916
2038	101,770	-	101,770	83,053	-	83,053
2039	101,770	-	101,770	84,191	-	84,191
2040	101,770	-	101,770	85,329	-	85,329
2041	101,770	-	101,770	86,466	-	86,466
2042	101,770	-	101,770	87,604	-	87,604
2043	101,770	-	101,770	88,742	-	88,742
2044	101,770	-	101,770	89,880	-	89,880
2045	101,770	-	101,770	91,017	-	91,017
2046	101,770	-	101,770	92,155	-	92,155
2047	-	-	-	93,293	-	93,293
2048	-	-	-	94,430	-	94,430
2049	-	-	-	95,568	-	95,568
2050	-	-	-	96,706	-	96,706
2051	-	-	-	97,844	-	97,844
2052	-	-	-	98,981	-	98,981
TOTALS	\$ 2,238,940	\$ -	\$ 2,238,940	\$ 2,341,407	\$ -	\$ 2,341,407

Fiscal Year Ending Dec 31st	2020			2019		
	Refunding of 2011 Bonds			Statutory Installment Bond		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 125,000	\$ 35,000	\$ 160,000	\$ 26,000	\$ 3,890	\$ 29,890
2026	130,000	30,000	160,000	26,000	2,917	28,917
2027	135,000	24,800	159,800	26,000	1,945	27,945
2028	140,000	19,400	159,400	26,000	972	26,972
2029	145,000	13,800	158,800	-	-	-
2030	155,000	9,450	164,450	-	-	-
2031	160,000	4,800	164,800	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
TOTALS	\$ 990,000	\$ 137,250	\$ 1,127,250	\$ 104,000	\$ 9,724	\$ 113,724

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the Town has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

With respect to event (d) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) 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 Town 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 Town, 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 Town.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Town may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Town determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town’s obligations under its material event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Note to recover monetary damages.

The Town 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 Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

TOWN OF BETHEL

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023

The Audited Financial Statements, including 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.

TOWN OF BETHEL, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To The Supervisor and Board Members of the
Town of Bethel
White Lake, New York

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities and Business-Type Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and business-type activities of the Town of Bethel, New York, 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.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Bethel, New York, as of December 31, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Town of Bethel, New York, 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 qualified and unmodified opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities and Business-Type Activities

The statement of net position does not include a liability for the Town's post-employment health insurance benefits and the statement of activities does not include an expense related to post-employment health insurance benefits earned and expensed for the year ended December 31, 2023. Accounting principles generally accepted in the United States of America require that the liability for post-employment health insurance benefits be calculated and disclosed in accordance with Government Accounting Standards Board Statement No. 75. The amount by which this departure would affect the statement of net position and statement of activities has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Town of Bethel, New York'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bethel, New York'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 Town of Bethel, New York's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 5 through 11 and 54 through 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, New York's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a

required part of the financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

The prior year summarized comparative information has been derived from the Town's December 31, 2022 financial statements and, in our report dated May 10, 2023, we expressed qualified and unmodified opinions on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2024 on our consideration of the Town of Bethel, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bethel, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
May 6, 2024

TOWN OF BETHEL

Town of Bethel
PO Box 300
White Lake, NY 12786

Phone (845) 583-4350
Fax (845) 583-4710

MANAGEMENT DISCUSSION AND ANALYSIS

Town of Bethel

Year Ended December 31, 2023

Town of Bethel

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2023. This section is a summary of the Town's financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2023 are as follows:

Town-wide Statements

The Town's main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 4,975,285	58%	58%
State and Federal Aid	1,631,828	19%	16%
Sewer Charges	748,738	9%	9%

The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Transportation	\$ 4,198,761	55%	55%
General Government Support	1,388,218	18%	17%
Sewer Districts	763,455	10%	9%

Total net position was \$25,176,297 at December 31, 2023, up \$1,003,695 from the prior year.

Fund Financial Statements

The highlights of the activities in the major funds are as follows:

<u>General Fund</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 2,364,674	65%	62%
Departmental Income	291,453	8%	14%
State Aid	407,106	11%	13%
General Government Support	872,045	32%	32%
Employee Benefits	907,285	34%	33%
Public Safety	349,078	13%	14%

- The General Fund’s fund balance increased from \$3,295,648 at December 31, 2022 to \$4,274,211 at December 31, 2023. Of the total fund balance, \$150,000 was appropriated towards the subsequent year’s budget, \$659,004 was in non-spendable form and \$135,784 was restricted for future expenditures, leaving \$3,329,423 as unassigned.
- The Highway Fund had tax revenues of \$2,487,586, which accounted for 68% of its total revenues of \$3,654,041. NYS CHIPs funding of \$952,463 accounted for 26% of total revenues.

Using this Comprehensive Annual Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the Town’s finances is “Is the Town better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town’s net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the Town’s financial health is improving or deteriorating.

The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two distinct kinds of activities:

Governmental Activities:

This section represents programs and services that are funded fully or in part by general town revenues such as property taxes, state aid, etc.

Business Type Activities:

This section presents areas where services or goods are provided and changes are made for such goods and services to recover all expenses.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches.

Governmental Funds

Most of the Town's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee or fiduciary for assets that belong to others. It is the Town's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position and Changes in Fiduciary Net Position" schedule, as the Town may not use these assets to finance its operations.

	<u>2023</u>	<u>2022</u>
NET POSITION		
Current Assets	\$ 6,461,953	\$ 5,526,054
Net Pension Asset	-	380,162
Leases Receivable	483,759	-
Right to Use Asset, Net	45,546	75,966
Capital Assets, net	<u>26,316,936</u>	<u>26,619,175</u>
Total Assets	<u>33,308,194</u>	<u>32,601,357</u>
Deferred Outflows of Resources		
Pensions	<u>789,989</u>	<u>913,495</u>
Current Liabilities	979,719	3,455,559
Long-Term Liabilities	<u>7,336,364</u>	<u>4,464,495</u>
Total Liabilities	<u>8,316,083</u>	<u>7,920,054</u>
Deferred Inflows of Resources		
Leases	510,167	-
Pensions	<u>95,636</u>	<u>1,422,196</u>
Total Deferred Inflows of Resources	<u>605,803</u>	<u>1,422,196</u>
Net Investment in Capital Assets	20,093,328	19,928,191
Restricted	283,045	156,565
Unrestricted	<u>4,799,924</u>	<u>4,087,846</u>
Total Net Position	<u>\$ 25,176,297</u>	<u>\$ 24,172,602</u>
Real Property Taxes	\$ 4,975,285	\$ 4,798,168
Other Tax Items	83,192	84,136
Non-Property Tax	109,385	101,635
Charges For Services	1,369,034	1,567,174
Grants And Contributions	1,293,267	1,218,946
Investment Earnings	233,717	23,685
Change in Value of LOSAP Assets	12,238	(18,652)
LOSAP Termination	145,990	-
Sale Of Property And Compensation For Loss	15,422	11,182
Miscellaneous Local Sources	10,894	48,978
State Sources	<u>390,300</u>	<u>390,663</u>
Total Revenues	<u>8,638,724</u>	<u>8,225,915</u>
General Government Support	1,388,218	1,148,112
Public Safety	552,504	484,817
Health	97,469	80,046
Transportation	4,198,761	3,824,781
Economic Assistance And Opportunity	792	962
Culture And Recreation	385,632	325,051
Home And Community Service	213,199	424,101
Debt Service	2,811	6,586
Sewer Districts	763,455	603,148
Bethel LDC	<u>32,188</u>	<u>41,907</u>
Total Expenditures	<u>7,635,029</u>	<u>6,939,511</u>
CHANGE IN NET POSITION	<u>\$ 1,003,695</u>	<u>\$ 1,286,404</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$7,475,472 and expenditures of \$6,606,479, net of \$2,755 in interfund transactions. This resulted in an increase in fund balance of \$868,993.

	<u>2023 Fund Balance</u>	<u>2022 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund	\$ 4,274,211	\$ 3,295,648	\$ 978,563
Highway Fund	1,183,221	834,348	348,873
Capital Fund	(758,038)	(272,123)	(485,915)
Non-Major Funds	<u>231,994</u>	<u>204,522</u>	<u>27,472</u>
Total Governmental	<u>\$ 4,931,388</u>	<u>\$ 4,062,395</u>	<u>\$ 868,993</u>

BUDGET INFORMATION

The Town's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 54. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the "Supplemental Schedules" beginning on page 60 of the financial statements.

Capital Assets

The Town had \$26,316,936 invested in capital assets, net of \$24,262,910 in accumulated depreciation, as of December 31, 2023. Depreciation expense for the year ended December 31, 2023 was \$909,369.

Debt

As of December 31, 2023, the Town had \$5,994,242 in outstanding bonds payable. The Town paid interest of \$53,555 during the year.

Contacting the Town's Financial Management

It is the intent of this report to provide the Town's citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Town of Bethel, PO Box 300, White Lake, NY 12786.

Contacting the Component Unit's Financial Management

The Bethel Local Development Corporation (the "Corporation") was established in May 1998 under Section 1411 of the New York Not-For-Profit Corporation Law. The Corporation was formed to foster the creation, retention and expansion of jobs and economic opportunities within the Town of Bethel, New York. The Town of Bethel Supervisor appoints the board members of the Corporation and a majority of the Board must consist of Town officials. The Corporation is reflected as a blended component unit within the Town's audited financial statements. Additional information regarding the component unit of the Town can be obtained by contacting Bethel Local Development Corporation, PO Box 300, White Lake, NY 12786.

TOWN OF BETHEL, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	ELIMINATIONS	TOTAL	2022 TOTAL
ASSETS					
Cash	\$ 5,249,888	\$ 354,497	\$ -	\$ 5,604,385	\$ 4,372,886
Cash - Restricted	142,495	9,302	-	151,797	148,285
Service Award Program Assets - Restricted	122,077	-	-	122,077	107,184
Accounts Receivable	196,626	140,350	-	336,976	306,142
Billings Receivable	-	180,032	-	180,032	157,430
Due From Other Funds	-	7,311	(7,311)	-	-
Due From State and Federal	-	-	-	-	369,756
Due From Other Governments	61,861	-	-	61,861	64,371
Due From Related Parties	65,404	-	(65,404)	-	-
Current Portion of Leases Receivable	4,825	-	-	4,825	-
Total Current Assets	5,843,176	691,492	(72,715)	6,461,953	5,526,054
Net Pension Asset	-	-	-	-	380,162
Leases Receivable	483,759	-	-	483,759	-
Right to Use Assets, net	45,546	-	-	45,546	75,966
Capital Assets, net	15,569,129	10,747,807	-	26,316,936	26,619,175
Total Non-Current Assets	16,098,434	10,747,807	-	26,846,241	27,075,303
TOTAL ASSETS	21,941,610	11,439,299	(72,715)	33,308,194	32,601,357
DEFERRED OUTFLOW OF RESOURCES					
LOSAP	-	-	-	-	62,013
Pensions	789,989	-	-	789,989	851,482
TOTAL DEFERRED OUTFLOW OF RESOURCES	789,989	-	-	789,989	913,495
LIABILITIES					
Accounts Payable	150,494	85,637	-	236,131	138,070
Accrued Liabilities	40,200	16,013	-	56,213	61,832
State Loan Payable	78,834	-	-	78,834	78,834
Bond Anticipation Note	-	-	-	-	2,572,500
Due To Other Funds	7,311	-	(7,311)	-	-
Due To Other Governments	5,004	-	-	5,004	3,750
Due To Retirement Systems	159,947	-	-	159,947	128,252
Other Liabilities	240,375	-	-	240,375	296,862
Escrow Liabilities	188,215	-	-	188,215	175,459
Unearned Revenues	15,000	-	-	15,000	-
Total Current Liabilities	885,380	101,650	(7,311)	979,719	3,455,559
Non-Current Liabilities					
Due Within One Year:					
Serial Bonds	-	319,895	-	319,895	286,570
Unamortized Bond Premium	-	19,319	-	19,319	19,319
Leases Payable	16,553	-	-	16,553	12,897
Due Beyond One Year:					
Serial Bonds	-	5,674,347	-	5,674,347	3,585,710
Unamortized Bond Premium	-	131,213	-	131,213	150,532
Leases Payable	28,993	-	-	28,993	63,069
Loans Payable	-	65,404	(65,404)	-	-
Compensated Absences	75,991	-	-	75,991	75,254
Judgments and Claims	98,294	-	-	98,294	113,416
Net Pension Liability	971,759	-	-	971,759	-
Total Pension Liability	-	-	-	-	157,728
Total Non-Current Liabilities	1,191,590	6,210,178	(65,404)	7,336,364	4,464,495
TOTAL LIABILITIES	2,076,970	6,311,828	(72,715)	8,316,083	7,920,054
DEFERRED INFLOWS OF RESOURCES					
LOSAP	-	-	-	-	50,275
Leases	510,167	-	-	510,167	-
Pensions	95,636	-	-	95,636	1,371,921
TOTAL DEFERRED INFLOWS OF RESOURCES	605,803	-	-	605,803	1,422,196
NET POSITION					
Net Investment in Capital Assets	15,490,295	4,579,189	23,844	20,093,328	19,928,191
Restricted	264,572	18,473	-	283,045	156,565
Unrestricted	4,293,959	529,809	(23,844)	4,799,924	4,087,846
TOTAL NET POSITION	\$ 20,048,826	\$ 5,127,471	\$ -	\$ 25,176,297	\$ 24,172,602

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>				
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>	<u>2022 TOTAL</u>
GOVERNMENTAL ACTIVITIES									
General Support	\$ 1,388,218	\$ 128,972	\$ 33,585	\$ -	\$ (1,225,661)		\$ -	\$ (1,225,661)	\$ (1,036,349)
Public Safety	552,504	145,021	-	44,664	(362,819)		-	(362,819)	(110,546)
Health	97,469	-	-	-	(97,469)		-	(97,469)	(80,046)
Transportation	4,198,761	53,942	1,057,923	-	(3,086,896)		20,000	(3,066,896)	(2,844,801)
Economic Assistance and Opportunity	792	-	-	-	(792)		-	(792)	(962)
Culture and Recreation	385,632	65,421	40,961	-	(279,250)		5,000	(274,250)	(208,470)
Home and Community Services	213,199	74,599	-	-	(138,600)		-	(138,600)	(341,557)
Debt Service	2,811	-	-	-	(2,811)		-	(2,811)	(6,586)
TOTAL GOVERNMENTAL ACTIVITIES	<u>6,839,386</u>	<u>467,955</u>	<u>1,132,469</u>	<u>44,664</u>	<u>(5,194,298)</u>		<u>25,000</u>	<u>(5,169,298)</u>	<u>(4,629,317)</u>
BUSINESS-TYPE ACTIVITIES									
Sewer	763,455	881,079	-	97,980		215,604	-	215,604	503,577
Bethel Local Development Corp.	32,188	20,000	18,154	-		5,966	(25,000)	(19,034)	(27,651)
TOTAL BUSINESS-TYPE ACTIVITIES	<u>795,643</u>	<u>901,079</u>	<u>18,154</u>	<u>97,980</u>		<u>221,570</u>	<u>(25,000)</u>	<u>196,570</u>	<u>475,926</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>7,635,029</u>	<u>1,369,034</u>	<u>1,150,623</u>	<u>142,644</u>	<u>(5,194,298)</u>	<u>221,570</u>	<u>-</u>	<u>(4,972,728)</u>	<u>(4,153,391)</u>
GENERAL REVENUES									
Real Property Tax					4,975,285	-	-	4,975,285	4,798,168
Other Tax Items					83,192	-	-	83,192	84,136
Non-Property Tax Items					109,385	-	-	109,385	101,635
Investment Earnings					233,668	49	-	233,717	23,685
Change in Value of LOSAP Assets					12,238	-	-	12,238	(18,652)
Sale of Property and Compensation For Loss					15,422	-	-	15,422	11,182
Miscellaneous Local Sources					10,894	-	-	10,894	3,252
State Aid					390,300	-	-	390,300	436,389
TOTAL GENERAL REVENUES					<u>5,830,384</u>	<u>49</u>	<u>-</u>	<u>5,830,433</u>	<u>5,439,795</u>
SPECIAL ITEMS									
LOSAP Termination					145,990	-	-	145,990	-
TOTAL GENERAL REVENUES AND SPECIAL ITEMS					<u>5,976,374</u>	<u>49</u>	<u>-</u>	<u>5,976,423</u>	<u>5,439,795</u>
CHANGE IN NET POSITION					782,076	221,619	-	1,003,695	1,286,404
TOTAL NET POSITION									
Beginning of Year					19,266,750	4,905,852	-	24,172,602	22,886,198
TOTAL NET POSITION									
End of Year					<u>\$ 20,048,826</u>	<u>\$ 5,127,471</u>	<u>\$ -</u>	<u>\$ 25,176,297</u>	<u>\$ 24,172,602</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	GENERAL	HIGHWAY	CAPITAL	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2022 TOTALS
ASSETS						
Cash	\$ 3,871,917	\$ 1,292,563	\$ 11,629	\$ 73,779	\$ 5,249,888	\$ 4,007,311
Cash - Restricted	135,784	6,711	-	-	142,495	144,962
Service Award Program Assets - Restricted	-	-	-	122,077	122,077	107,184
Accounts Receivable	159,126	-	-	37,500	196,626	154,346
Due From State and Federal	-	-	-	-	-	369,756
Due From Other Funds	603,600	-	-	-	603,600	188,600
Due From Other Governments	41,167	20,694	-	-	61,861	64,371
Due From Related Parties	65,404	-	-	-	65,404	65,404
Leases Receivable	488,584	-	-	-	488,584	-
TOTAL ASSETS	\$ 5,365,582	\$ 1,319,968	\$ 11,629	\$ 233,356	\$ 6,930,535	\$ 5,101,934
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 34,935	\$ 26,964	\$ 87,233	\$ 1,362	\$ 150,494	\$ 116,764
Accrued Liabilities	9,693	30,507	-	-	40,200	43,707
State Loan Payable	-	-	78,834	-	78,834	78,834
Due To Other Funds	7,311	-	603,600	-	610,911	195,911
Due To Other Governments	5,004	-	-	-	5,004	3,750
Due To ERS	83,171	76,776	-	-	159,947	128,252
Other Liabilities	240,375	-	-	-	240,375	296,862
Escrow Liabilities	185,715	2,500	-	-	188,215	175,459
Unearned Revenues	15,000	-	-	-	15,000	-
TOTAL LIABILITIES	581,204	136,747	769,667	1,362	1,488,980	1,039,539
DEFERRED INFLOWS OF RESOURCES						
Leases	510,167	-	-	-	510,167	-
TOTAL DEFERRED INFLOWS OF RESOURCES	510,167	-	-	-	510,167	-
FUND BALANCES						
Non-spendable:						
Non-Current Receivables	659,004	-	-	-	659,004	244,004
Restricted:						
Capital Project	-	-	-	-	-	2,481
Building	135,784	-	-	-	135,784	135,770
Equipment	-	6,711	-	-	6,711	6,711
Service Award Program	-	-	-	122,077	122,077	104,450
Assigned:						
Appropriated	150,000	50,000	-	-	200,000	200,000
Unappropriated	-	1,126,510	-	109,917	1,236,427	877,983
Unassigned	3,329,423	-	(758,038)	-	2,571,385	2,490,996
TOTAL FUND BALANCES	4,274,211	1,183,221	(758,038)	231,994	4,931,388	4,062,395
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 5,365,582	\$ 1,319,968	\$ 11,629	\$ 233,356	\$ 6,930,535	\$ 5,101,934

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
Total Fund Balance – Governmental Funds	\$ 4,931,388	\$ 4,062,395
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2023 are \$36,895,960 and \$21,326,831 respectively.	15,569,129	15,718,202
Leased assets used in governmental activities are expensed in the initial year of the lease term in the governmental funds. In the full accrual financials, the assets are capitalized and amortized over the term of the lease. The cost of leased assets and accumulated amortization at December 31, 2023 are \$91,835 and \$46,289, respectively.	45,546	75,966
Long-term are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Serial Bonds	-	
Judgments And Claims	(98,294)	
Compensated Absences	(75,991)	
Leases Payable	<u>(45,546)</u>	(303,436)
The long-term assets and liabilities associated with participation in the Length of Service Award Program are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	-	
Deferred Inflows of Resources	-	
Total Pension Liability	<u>-</u>	(145,990)
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Net Pension Asset	-	
Deferred Outflows of Resources	789,989	
Deferred Inflows of Resources	(95,636)	
Net Pension Liability	<u>(971,759)</u>	(140,277)
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.	<u>-</u>	<u>(110)</u>
Net Position of Governmental Activities	<u>\$ 20,048,826</u>	<u>\$ 19,266,750</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>CAPITAL</u>	<u>NON MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022 TOTALS</u>
REVENUES						
Real Property Taxes	\$ 2,364,674	\$ 2,487,586	\$ -	\$ 123,025	\$ 4,975,285	\$ 4,798,168
Other Tax Items	83,192	-	-	-	83,192	84,136
Non-Property Tax Items	109,385	-	-	-	109,385	101,635
Departmental Income	291,453	-	-	-	291,453	509,375
Intergovernmental Charges	-	52,702	-	-	52,702	52,703
Use of Money and Property	210,645	40,931	11	3,338	254,925	23,646
Licenses and Permits	2,007	1,240	-	-	3,247	73,290
Fines and Forfeitures	99,296	-	-	-	99,296	72,535
Sale of Property and Compensation Loss	3,426	11,996	-	-	15,422	11,182
Miscellaneous Local Sources	42,816	1,663	-	-	44,479	48,273
State Aid	407,106	952,463	-	-	1,359,569	1,051,800
Federal Aid	68,819	105,460	-	-	174,279	276,804
TOTAL REVENUES	<u>3,682,819</u>	<u>3,654,041</u>	<u>11</u>	<u>126,363</u>	<u>7,463,234</u>	<u>7,103,547</u>
EXPENDITURES						
General Government Support	872,045	-	-	-	872,045	788,477
Public Safety	349,078	-	-	-	349,078	340,789
Health	-	-	-	95,819	95,819	103,155
Transportation	146,200	2,539,344	-	13,660	2,699,204	2,754,940
Economic Assistance and Opportunity	792	-	-	-	792	962
Culture and Recreation	264,586	-	-	-	264,586	227,128
Home and Community Services	148,644	2,241	-	-	150,885	371,935
Employee Benefits	907,285	725,949	-	1,650	1,634,884	1,477,275
Debt Service:						
Principal	14,294	38,800	-	-	53,094	133,480
Interest	1,606	1,315	-	-	2,921	6,831
Capital Outlay	-	-	483,171	-	483,171	86,895
TOTAL EXPENDITURES	<u>2,704,530</u>	<u>3,307,649</u>	<u>483,171</u>	<u>111,129</u>	<u>6,606,479</u>	<u>6,291,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	978,289	346,392	(483,160)	15,234	856,755	811,680
OTHER FINANCING SOURCES (USES)						
Operating Transfers Out	-	-	(2,755)	-	(2,755)	-
Operating Transfers In	274	2,481	-	-	2,755	-
Proceeds of Long-Term Debt	-	-	-	-	-	-
Change in Value of LOSAP Assets	-	-	-	12,238	12,238	(18,652)
NET CHANGE IN FUND BALANCE	978,563	348,873	(485,915)	27,472	868,993	793,028
FUND BALANCE - Beginning of Year	<u>3,295,648</u>	<u>834,348</u>	<u>(272,123)</u>	<u>204,522</u>	<u>4,062,395</u>	<u>3,269,367</u>
FUND BALANCE - End of Year	<u>\$ 4,274,211</u>	<u>\$ 1,183,221</u>	<u>\$ (758,038)</u>	<u>\$ 231,994</u>	<u>\$ 4,931,388</u>	<u>\$ 4,062,395</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
Total Net Change in Fund Balances – Governmental Funds	\$ 868,993	\$ 793,028

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(709,804)	
Capital Outlay	560,731	
Book Value of Disposed Assets	-	(149,073)
		(381,775)

In the governmental funds, leased assets are expensed in the initial year of the lease. In the full accrual financials, the asset is capitalized as a “right to use” asset and amortized over the term of the lease.

Amortization Expense	(14,294)	(12,517)
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Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds	38,800	
Leases Payable	14,294	53,094
		133,480

In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).

Judgments And Claims	15,122	
Compensated Absences	(737)	14,385
		63,191

SEE ACCOMPANYING NOTES AND AUDITORS’ OPINION

TOWN OF BETHEL, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

(Continued)

		<u>2023</u>	<u>2022</u>
<p>(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>			
Deferred Outflows Of Resources	(61,493)		
Deferred Inflows Of Resources	1,276,285		
Net Pension Liability	(971,759)		
Net Pension Asset	<u>(380,162)</u>	(137,129)	170,253
<p>(Increase) decreases in the total pension liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>			
Deferred Outflows Of Resources	(62,013)		
Deferred Inflows Of Resources	50,275		
Total Pension Liability	<u>157,728</u>	145,990	24,534
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>			
Current Year Accrued Interest	-		
Prior Year Accrued Interest	<u>110</u>	<u>110</u>	<u>245</u>
Change In Net Position of Governmental Activities		<u>\$ 782,076</u>	<u>\$ 790,439</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 COMBINING STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>SEWER FUND</u>	<u>BETHEL LOCAL DEVELOPMENT CORP.</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
ASSETS				
Current Assets:				
Cash	\$ 354,497	\$ -	\$ 354,497	\$ 365,575
Cash - Restricted	-	9,302	9,302	3,323
Accounts Receivable	140,350	-	140,350	151,796
Rents Receivable	180,032	-	180,032	157,430
Due From Other Funds	<u>7,311</u>	<u>-</u>	<u>7,311</u>	<u>7,311</u>
Total Current Assets	<u>682,190</u>	<u>9,302</u>	<u>691,492</u>	<u>685,435</u>
Non-Current Assets:				
Capital Assets, net	<u>10,664,300</u>	<u>83,507</u>	<u>10,747,807</u>	<u>10,900,973</u>
Total Non-Current Assets	<u>10,664,300</u>	<u>83,507</u>	<u>10,747,807</u>	<u>10,900,973</u>
TOTAL ASSETS	<u>11,346,490</u>	<u>92,809</u>	<u>11,439,299</u>	<u>11,586,408</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	85,187	450	85,637	21,306
Accrued Liabilities	16,013	-	16,013	18,015
Bond Anticipation Note	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,572,500</u>
Total Current Liabilities	<u>101,200</u>	<u>450</u>	<u>101,650</u>	<u>2,611,821</u>
Non-Current Liabilities				
Due Within One Year:				
Bonds Payable	319,895	-	319,895	247,770
Unamortized Bond Premium	19,319	-	19,319	19,319
Due Beyond One Year:				
Bonds Payable	5,674,347	-	5,674,347	3,585,710
Unamortized Bond Premium	131,213	-	131,213	150,532
Loans Payable	<u>-</u>	<u>65,404</u>	<u>65,404</u>	<u>65,404</u>
Total Non-Current Liabilities	<u>6,144,774</u>	<u>65,404</u>	<u>6,210,178</u>	<u>4,068,735</u>
TOTAL LIABILITIES	<u>6,245,974</u>	<u>65,854</u>	<u>6,311,828</u>	<u>6,680,556</u>
NET POSITION				
Net Investment In Capital Assets	4,519,526	59,663	4,579,189	4,301,298
Restricted	-	18,473	18,473	14,084
Unrestricted	<u>580,990</u>	<u>(51,181)</u>	<u>529,809</u>	<u>590,470</u>
TOTAL NET POSITION	<u>\$ 5,100,516</u>	<u>\$ 26,955</u>	<u>\$ 5,127,471</u>	<u>\$ 4,905,852</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE TOTAL FOR THE YEAR ENDED DECEMBER 31, 2022)

BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>SEWER FUND</u>	BETHEL LOCAL DEVELOPMENT <u>CORP.</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
OPERATING REVENUES				
Charges For Services	\$ 881,079	\$ 20,000	\$ 901,079	\$ 859,271
Miscellaneous Local Sources	-	18,154	18,154	14,256
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	881,079	38,154	919,233	873,527
OPERATING EXPENSES				
General Government Support	13,149	13,321	26,470	22,429
Economic Assistance and Opportunity	-	18,135	18,135	30,986
Home and Community Services	522,160	-	522,160	381,470
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	535,309	31,456	566,765	434,885
OPERATING INCOME	<hr/>	<hr/>	<hr/>	<hr/>
	345,770	6,698	352,468	438,642
NON-OPERATING REVENUES(EXPENSES)				
Interest On Investments	49	-	49	39
Capital Grant	97,980	-	97,980	267,454
Debt Service Interest	(29,313)	-	(29,313)	(34,960)
Depreciation	(198,833)	(732)	(199,565)	(175,210)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES (EXPENSES)	(130,117)	(732)	(130,849)	57,323
CHANGE IN NET POSITION	<hr/>	<hr/>	<hr/>	<hr/>
	215,653	5,966	221,619	495,965
NET POSITION- Beginning	<hr/>	<hr/>	<hr/>	<hr/>
	4,884,863	20,989	4,905,852	4,409,887
NET POSITION- Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,100,516	\$ 26,955	\$ 5,127,471	\$ 4,905,852

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>SEWER FUND</u>	<u>BETHEL LOCAL DEVELOPMENT CORP.</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 868,072	\$ -	\$ 868,072	\$ 714,148
Receipts From Grants and Contributions	-	13,154	13,154	13,838
Receipts (Payments) From Governmental Funds	-	25,000	25,000	12,689
Other Cash Received	1,851	-	1,851	418
Payments For Contractual And Personal Services	(443,588)	(32,175)	(475,763)	(421,721)
Payments For Employee Benefits	(26,671)	-	(26,671)	(28,677)
	<u>399,664</u>	<u>5,979</u>	<u>405,643</u>	<u>290,695</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES				
CASH FLOW FROM INVESTING ACTIVITIES				
Interest On Cash And Cash Equivalents	49	-	49	39
	<u>49</u>	<u>-</u>	<u>49</u>	<u>39</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES				
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds of Short Term Debt	-	-	-	2,016,845
Proceeds of Long Term Debt	2,474,520	-	2,474,520	-
Payment of Debt Principal	(2,886,258)	-	(2,886,258)	(242,770)
Payment of Debt Interest	(50,634)	-	(50,634)	(56,207)
Purchase of Fixed Assets	(46,399)	-	(46,399)	(2,284,329)
Proceeds of Capital Grant	97,980	-	97,980	267,454
	<u>(410,791)</u>	<u>-</u>	<u>(410,791)</u>	<u>(299,007)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCIAL ACTIVITIES				
NET INCREASE IN CASH AND EQUIVALENTS	(11,078)	5,979	(5,099)	(8,273)
CASH AND EQUIVALENTS- Beginning	365,575	3,323	368,898	377,171
CASH AND EQUIVALENTS- Ending	\$ 354,497	\$ 9,302	\$ 363,799	\$ 368,898
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 345,770	\$ 6,698	\$ 352,468	\$ 438,642
(Increase) Decrease In Receivable	(11,156)	-	(11,156)	(125,123)
Increase (Decrease) In Accounts Payable	65,050	(719)	64,331	(15,513)
(Increase) Decrease In Interfund Loans	-	-	-	(7,311)
	<u>399,664</u>	<u>5,979</u>	<u>405,643</u>	<u>290,695</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 399,664	\$ 5,979	\$ 405,643	\$ 290,695

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31,

	<u>CUSTODIAL FUND</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ _____ -	\$ _____ -
TOTAL ASSETS	_____ -	_____ -
LIABILITIES		
Due To Other Funds	_____ -	_____ -
TOTAL LIABILITIES	_____ -	_____ -
TOTAL NET POSITION	<u>\$ _____ -</u>	<u>\$ _____ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEARS ENDED DECEMBER 31,

	<u>CUSTODIAL FUND</u>	
	<u>2023</u>	<u>2022</u>
ADDITIONS		
Fines Collected For Other Governments	\$ 64,347	\$ 50,886
Taxes Collected For Other Governments	<u>1,345,672</u>	<u>1,295,783</u>
TOTAL ADDITIONS	<u>1,410,019</u>	<u>1,346,669</u>
DEDUCTIONS		
Fines Paid To Other Governments	64,347	50,886
Taxes Paid To Other Governments	<u>1,345,672</u>	<u>1,295,783</u>
TOTAL DEDUCTIONS	<u>1,410,019</u>	<u>1,346,669</u>
Change In Net Position	-	-
NET POSITION - Beginning Of Year	<u>-</u>	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Bethel have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. **Financial Reporting Entity**

The Town of Bethel, New York, which was established in 1809, is governed by the Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations of the Town. The Supervisor serves as chief executive officer and the chief fiscal officer.

The Town provides the following basic services: general government support, public safety (police protection), health, transportation (street and highway maintenance), economic assistance and opportunity, culture and recreation, and home and community services, planning and zoning, general administration and public improvements. The Town also provides lighting, ambulatory, and sewer services to separate areas of the Town through special districts. These services are provided for in one lighting district, one ambulance district, and one sewer district.

All governmental activities and functions performed by the Town of Bethel, New York, are its direct responsibility. The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Certain organizations have been excluded from the reporting entity for the following reasons:

The financial activities of the Fire Districts are not included in the Town's reporting entity because the furnishing of fire protection in the Town is the responsibility of the fire commissioners who constitute the governing board of each district. The fire commissioners are elected by the qualified voters living within each district. Fire district operations, including the financing thereof through real property taxation, are carried out at the direction of the fire commissioners, and the Town has no managerial oversight or fiscal responsibility.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain collection activities of the Town Clerk and Town Justice Officers are not included in the Town’s reporting entity as prescribed by the Office of the State Comptroller. These collection activities include fees, fines and bail monies which are not recorded by the Town until remitted by the respective elected officials to the State of New York and returned to the Town.

Bethel Local Development Corporation

The Bethel Local Development Corporation (the “Corporation”) was established in May 1998 under Section 1411 of the New York Not-For-Profit Corporation Law. The Corporation was formed to foster the creation, retention and expansion of jobs and economic opportunities within the Town of Bethel, New York. The Town of Bethel Supervisor appoints the board members of the Corporation and a majority of the Board must consist of Town officials. The Corporation is reflected as a blended component unit within the Town’s audited financial statements. Additional information regarding the component unit of the Town can be obtained by contacting Bethel Local Development Corporation, PO Box 300, White Lake, NY 12786.

B. Basis of Presentation

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole. These statements include the financial activities of the overall Town, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants. Business types activities are financed by fees charged to external parties.

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

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund financial statements:

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

The Town reports the following major Governmental Funds:

a. *General Fund*

The General Fund is the principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

b. *Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following:

1. Highway Fund – used to account for revenues and expenditures for highway purposes in accordance with Highway Law.

c. *Capital Projects Fund*

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

The Town reports the following non-major Governmental Funds:

a. *Special Revenue Funds*

1. Special Districts Funds – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Town reports the following Special District Funds:

- i. Lighting District
- ii. Ambulance District

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Miscellaneous Special Revenue Fund – used to account for revenues that are legally restricted to expenditures for specific purposes.

The Town reports the following major Proprietary Fund:

- a. *Enterprise Fund*

Sewer Fund - This fund accounts for all revenues and expenses pertaining to the Sewer Fund, which is financed and operated in a manner similar to private business enterprises

The Town reports the following non-major Proprietary Fund:

- a. *Enterprise Fund*

Bethel Local Development Corporation (BLDC) - This fund accounts for all revenues and expenses pertaining to the BLDC, which is used to foster the expansion of jobs and economic opportunity within the Town of Bethel. The BLDC is reported as a blended component unit of the Town.

Additionally, the Town reports the following fund type:

- a. *Fiduciary Fund*

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements, because their resources do not belong to the Town, and are not available to be used.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Basis of Accounting/Measurement Focus**

The Town-wide, Proprietary and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

D. **Property Taxes**

County real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to April 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Towns.

E. **Budgetary Data**

1. **Budget Policies** - The budget policies are as follows:
 - a. No later than September 30, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- a. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- b. All modifications of the budget must be approved by the governing board. However, the Supervisor is authorized to transfer certain budgeted amounts within departments.
- c. Budgetary controls are established for the capital project funds through resolutions authorizing individual projects which remain in effect for the life of the project.
- d. Budget amounts included in the report for General and Special Revenue Funds have been amended and approved by the Town Board.

2. Encumbrances

Encumbrances 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 the governmental funds. Open encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

F. Cash and Cash Equivalents

For the statement of cash flows, the Town considers all highly liquid investments of three months or less as cash equivalents.

G. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

TOWN OF BETHEL, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. **Capital Assets**

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Infrastructure	75
Buildings	50
Site Improvements	20
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

I. **Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for deferred revenues is removed and revenues are recognized.

J. **Compensatory Absences**

The Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Town-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and Town-wide presentations.

K. **Post Employment Benefits**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors.

Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the year, \$346,461 was paid on behalf of 28 retirees and recorded as an expenditure in the General, Highway and Sewer funds.

L. **Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

M. **Equity Classifications**

In the Town-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

In the fund basis statements there are five classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town had non-spendable fund balances related to non-current receivables of \$659,004 in the General Fund and \$82,784 in the Sewer Fund as of December 31, 2023.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town has established the following restricted fund balances:

Capital - Used to finance all or part of the cost of construction, reconstruction or acquisition of capital improvements and/or equipment. Permissive referendum is required for either establishment of or payments from the reserve, depending on which type of capital reserve is set up. These reserves are accounted for in the General and Highway Funds.

Service Award Program - Restricted for benefit payments from the Town's Length of Service Award Program. (LOSAP)

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town had no committed fund balances as of December 31, 2023.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

residual amount of fund balance. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

N. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. **Insurance**

The Town of Bethel participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Town's estimated share of the liability for unbilled and open claims at December 31, 2023 was \$98,294.

P. **New Accounting Standards**

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2023, the Town implemented the following new standards.

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 96 – *Subscription-Based Information Technology Arrangements*

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending December 31, 2024.

Q. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 *except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which is effective for the year ending December 31, 2024.

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for year ending December 31, 2024.

GASB 101 – *Compensated Absences*, effective for the year ending December 31, 2024.

GASB 102 – *Certain Risk Disclosures*, effective for the year ending December 31, 2025.

The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

R. **Operating Revenues of Proprietary Funds**

Revenues generated through user fees and grant revenues to cover the annual operating expenses of the proprietary funds are classified as operating revenues. Investment income, grant income for capital purposes and/or the proceeds from the sale of assets are classified as non-operating revenues.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability, and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Town contributions to the pension systems subsequent to the measurement date. The Town reports \$789,989 in deferred outflows of resources related to pensions as of December 31, 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualifies for reporting in this category. The first is reported in the governmental fund financial statements and the government-wide statement of net position and represents revenues attributable to future periods. The Town recognized \$510,167 in deferred inflows of resources in the governmental fund financial statements related to leases receivable reported in the General Fund as of December 31, 2023. The second is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The Town reports \$95,636 in deferred inflows of resources related to pensions as of December 31, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$694,353 to unrestricted net position as of December 31, 2023.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund Balance

The Capital Projects Fund had a deficit unassigned fund balance of \$840,822 at December 31, 2023. The deficit was caused by the accounting treatment of short term debt and project expenditures in excess of available financing. The deficit will be eliminated when the short term debt is converted to long term financing and operating funds responsible for the unfunded projects provide the additional funding, or long term financing is put in place.

TOWN OF BETHEL, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Overspent Appropriations

Expenditures for the year ended December 31, 2023 materially exceeded appropriations in the funds and/or functions identified below:

<u>FUND/FUNCTION</u>	<u>APPROPRIATIONS AS MODIFIED</u>	<u>EXPENDITURES</u>	<u>UNFAVORABLE VARIANCE</u>
General/Employee Benefits	\$ 887,200	\$ 907,285	\$ (20,085)
KL Sewer/Home and Community Services	389,236	539,515	(150,279)

The overspent appropriations in the General Fund were caused by retirement system expenses in excess of budgeted amounts and were funded with available fund balance.

The overspent appropriations in the Sewer Fund were caused by contractual expenses in excess of budgeted amounts and were funded with available fund balance.

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL
 FUND STATEMENTS AND TOWN-WIDE STATEMENT

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balance of the Town’s governmental funds differs from “net position” of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheet.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

1. Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities report revenues

when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences:

Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an

expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – CAPITAL ASSETS

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Capital assets that are not depreciated:				
Land	\$ 362,343	\$ -	\$ -	\$ 362,343
Construction In Progress	<u>196,048</u>	<u>483,171</u>	<u>-</u>	<u>679,219</u>
Total non-depreciable historical cost	<u>558,391</u>	<u>483,171</u>	<u>-</u>	<u>1,041,562</u>
Capital assets that are depreciated:				
Infrastructure	29,838,079	-	-	29,838,079
Building and Improvements	1,607,004	-	-	1,607,004
Machinery and Equipment	<u>4,331,755</u>	<u>77,560</u>	<u>-</u>	<u>4,409,315</u>
Total depreciable historical cost	<u>35,776,838</u>	<u>77,560</u>	<u>-</u>	<u>35,854,398</u>
Less accumulated depreciation:				
Infrastructure	16,871,313	397,794	-	17,296,107
Building and Improvements	821,022	40,953	-	861,975
Machinery and Equipment	<u>2,924,692</u>	<u>271,057</u>	<u>-</u>	<u>3,195,749</u>
Total Accumulated Depreciation	<u>20,617,027</u>	<u>709,804</u>	<u>-</u>	<u>21,326,831</u>
Total historical cost, net	<u>\$ 15,718,202</u>	<u>\$ (149,073)</u>	<u>\$ -</u>	<u>\$ 15,569,129</u>
Depreciation expense was charged to Governmental functions as follows:				
General Government Support		\$ 18,499		
Public Safety		20,693		
Transportation		644,912		
Culture and Recreation		21,025		
Home and Community Services		<u>4,675</u>		
		<u>\$ 709,804</u>		

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – CAPITAL ASSETS (Continued)

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
<u>SEWER FUND:</u>				
Capital assets that are not depreciated:				
Land	\$ 250,162	\$ -	\$ -	\$ 250,162
Total non-depreciable historical cost	<u>250,162</u>	<u>-</u>	<u>-</u>	<u>250,162</u>
Capital assets that are depreciated:				
Infrastructure	11,735,764	-	-	11,735,764
Building and Improvements	1,458,604	-	-	1,458,604
Machinery and Equipment	<u>99,445</u>	<u>46,399</u>	<u>-</u>	<u>145,844</u>
Total depreciable historical cost	<u>13,293,813</u>	<u>46,399</u>	<u>-</u>	<u>13,340,212</u>
Less accumulated depreciation:				
Infrastructure	1,641,513	156,477	-	1,797,990
Building and Improvements	1,015,975	32,644	-	1,048,619
Machinery and Equipment	<u>69,753</u>	<u>9,712</u>	<u>-</u>	<u>79,465</u>
Total Accumulated Depreciation	<u>2,727,241</u>	<u>198,833</u>	<u>-</u>	<u>2,926,074</u>
Total historical cost, net	<u>\$ 10,816,734</u>	<u>\$ (152,434)</u>	<u>\$ -</u>	<u>\$ 10,664,300</u>
<u>BETHEL LOCAL DEVELOPMENT CORPORATION:</u>				
Non-depreciable capital assets:				
Land	\$ 80,944	\$ -	\$ -	\$ 80,944
Total non-depreciable	<u>80,944</u>	<u>-</u>	<u>-</u>	<u>80,944</u>
Depreciable capital assets:				
Machinery and Equipment	<u>12,568</u>	<u>-</u>	<u>-</u>	<u>12,568</u>
Total depreciable	<u>12,568</u>	<u>-</u>	<u>-</u>	<u>12,568</u>
Less accumulated depreciation:				
Machinery and Equipment	<u>9,273</u>	<u>732</u>	<u>-</u>	<u>10,005</u>
Total Accumulated Depreciation	<u>9,273</u>	<u>732</u>	<u>-</u>	<u>10,005</u>
Total historical cost, net	<u>\$ 84,239</u>	<u>\$ (732)</u>	<u>\$ -</u>	<u>\$ 83,507</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – CASH AND INVESTMENTS

The Town of Bethel investment policies are governed by State statutes. In addition the Town has its own written investment policy. Town of Bethel monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The Supervisor 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 time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and states other than New York and their municipalities and schools.

Repurchase agreements are required to be purchased from banks located within the state and the underlying securities must be obligations of the Federal Government. Underlying securities must have a market value of at least 100 percent of the cost of the repurchase agreement.

The Town’s aggregate cash balances include the following balances not covered by depository insurance at year end:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the Town’s name.	<u>\$ 3,816,759</u>
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NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2023 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ 603,600	\$ 7,311	\$ 274	\$ -
Highway Fund	-	-	2,481	-
Capital Projects Fund	-	<u>603,600</u>	-	<u>2,755</u>
Total Governmental Funds	<u>603,600</u>	<u>610,911</u>	<u>2,755</u>	<u>2,755</u>
Sewer Fund	<u>7,311</u>	-	-	-
Total Proprietary Funds	<u>7,311</u>	-	-	-
Total	<u>\$ 610,911</u>	<u>\$ 610,911</u>	<u>\$ 2,755</u>	<u>\$ 2,755</u>

Interfund receivables and payables, other than between governmental activities, business type activities and fiduciary funds, are eliminated on the Statement of Net Position. The Town transfers funds to the Capital Project Fund to finance ongoing capital projects. In addition, the Town typically loans resources between funds for the purpose of relieving cash flow issues.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - LIABILITIES

A. **Pension Plan**

1. Plan Description

The Town of Bethel, New York participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). 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 shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

2. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership. Employees who joined the Systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2023	\$ 202,834
2022	189,916
2021	239,164

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

B. Indebtedness

1. Long-Term Debt

Serial Bonds

The Town of Bethel, New York borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt

In addition to the above long-term debt the local government had the following non-current liabilities:

Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.

Judgments and Claims – Represents the Town’s outstanding liability related to the workers’ compensation risk sharing pool. (See Note 1-O)

Total Pension Liability – Represents the Town’s liability related to its LOSAP.

Unamortized Bond Premium – Represents the unamortized portion of premiums on new bond issues.

Leases Payable – Represents the present value of future operating lease payments.

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 53,555
Less: Interest Accrued in the Prior Year	(18,125)
Amortization of Bond Premium	(19,319)
Plus: Interest Accrued in the Current Year	<u>16,013</u>
 Total Expense	 <u>\$ 32,124</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

Changes

The changes in the Town’s indebtedness during the year ended December 31, 2023 are summarized as follows:

	<u>BALANCE</u> <u>01/01/23</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/23</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Serial Bonds – Direct Placements and Direct Borrowings	\$ 38,800	\$ -	\$ 38,800	\$ -	\$ -
Compensated Absences	75,254	737	-	75,991	-
Judgments and Claims	113,416	-	15,122	98,294	-
Total Pension Liability	157,728	-	157,728	-	-
Lease Payable	<u>59,840</u>	<u>-</u>	<u>14,294</u>	<u>45,546</u>	<u>16,553</u>
Total Governmental	<u>\$ 445,038</u>	<u>\$ 737</u>	<u>\$ 225,944</u>	<u>\$ 219,831</u>	<u>\$ 16,553</u>
Serial Bonds – General Obligations	\$ 1,235,000	\$ -	\$ 120,000	\$ 1,115,000	\$ 125,000
Serial Bonds – Direct Placements and Direct Borrowings	2,598,480	2,474,520	193,758	4,879,242	194,895
Unamortized Bond Premium	<u>169,851</u>	<u>-</u>	<u>19,319</u>	<u>150,532</u>	<u>19,319</u>
Total Business - Type Activities	<u>\$ 4,003,331</u>	<u>\$ 2,474,520</u>	<u>\$ 333,077</u>	<u>\$ 6,144,774</u>	<u>\$ 339,214</u>

Additions and deletions to compensated absences and judgments and claims are shown net since it is impractical to determine those amounts separately.

Maturity

The following is a summary of maturity of indebtedness:

<u>PURPOSE</u>	<u>ISSUE</u> <u>DATE</u>	<u>FINAL</u> <u>MATURITY</u>	<u>INTEREST</u> <u>RATE</u>	<u>OUTSTANDING</u> <u>12/31/23</u>
Sewer Extension	2020	2031	3.00%-4.00%	\$ 1,115,000
Sewer Rehab	2016	2046	0%	2,340,710
Sewer Improvements	2018	2028	3.74%	130,000
Sewer Rehab	2023	2052	0%	<u>2,408,532</u>
Total Business - Type Activities				<u>5,994,242</u>
TOTAL BONDS				<u>\$ 5,994,242</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

The following is a summary of maturing debt service requirements.

<u>YEAR</u>	<u>GENERAL OBLIGATIONS</u>		<u>DIRECT PLACEMENTS AND DIRECT BORROWINGS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 125,000	\$ 40,000	\$ 194,895	\$ 4,862
2025	125,000	35,000	196,033	3,890
2026	130,000	30,000	197,171	2,917
2027	135,000	24,800	198,294	1,945
2028	140,000	19,400	199,446	972
2029-2033	460,000	28,050	884,297	-
2034-2038	-	-	914,740	-
2039-2043	-	-	941,182	-
2044-2048	-	-	766,085	-
2049-2052	-	-	389,099	-
TOTAL	<u>\$ 1,115,000</u>	<u>\$ 177,250</u>	<u>\$ 4,879,242</u>	<u>\$ 14,586</u>

2. Short-Term Debt

The Town is drawing down short term funds from the New York Power Authority (NYPA) and the NYS Environmental Facilities Corporation (EFC) to finance ongoing projects. Once the projects are complete, the balances will be converted to long term financing.

The following is a summary of the short term debt outstanding at December 31, 2022:

<u>DESCRIPTION</u>	<u>RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
NYPA - Street Lights	0.00%	\$ 78,834	\$ -	\$ -	\$ 78,834
EFC – Sewer Rehab	0.00%	<u>2,572,500</u>	<u>-</u>	<u>2,572,500</u>	<u>-</u>
		<u>\$ 2,651,334</u>	<u>\$ -</u>	<u>\$ 2,572,500</u>	<u>\$ 78,834</u>

Interest expense on short term debt consisted of the following:

Interest Paid	\$ -
Less: Interest Accrued In Prior Year	-
Plus: Interest Accrued In Current Year	<u>-</u>
TOTAL EXPENSE	<u>\$ -</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LIABILITIES (Continued)

3. Loans Payable

The Bethel Local Development Corporation receives loans from the Town of Bethel to finance various projects in anticipation of future revenues, such as grant income, that will be used to repay the loans. The Corporation had the following outstanding loans with the Town of Bethel for the years ended December 31, 2023:

Smallwood Golf Course	\$ 23,844
Operating Funds	25,513
Community Events	<u>16,047</u>
 TOTAL	 <u>\$ 65,404</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Federal And State Grants

The Town has received grants that may be subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and request a return of funds. Based on prior audits, the Town’s administration believes disallowances, if any, will be immaterial.

NOTE 9 – NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental Activities</u>	<u>Sewer Fund</u>	<u>Bethel LDC</u>
Capital Assets, Net	\$ 15,569,12	\$ 10,664,300	\$ 83,507
Less: Bonds Payable		(5,994,242)	-
Unamortized Bond Premium		(150,532)	-
State Loan Payable	(78,834)	-	-
Loans Payable	<u> </u>	<u> </u>	<u>(23,844)</u>
	<u>\$ 15,490,29</u>	<u>\$ 4,519,526</u>	<u>\$ 59,663</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

On July 26, 2023, the Town Board voted to terminate the Ambulance District’s LOSAP, effective December 31, 2023. As a result, the Town no longer reports a Total Pension Liability for the present value of the pension liability. The balance of plan net assets will be distributed to the program participants in 2024. The activity in the LOSAP account for the year ended December 31, 2023 and the balance of plan assets as of December 31, 2023 are as follows:

PROGRAM NET ASSETS

Receipts and Disbursements

Plan Net Assets, Beginning of Year	\$ 107,184
Changes during the year:	
Plan Contributions	4,543
Net Investment Income	15,571
Plan Benefit Withdrawals	(1,650)
Administrative and Other Fees/Charges	(3,571)
Plan Net Assets, End of Year	<u>\$ 122,077</u>

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees’ Retirement System (ERS) are included in Note 7-A to the financial statements.

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

At December 31, 2023, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2023. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation.

The Town’s proportion of the net pension asset/(liability) was based on a projection of the Town’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Town.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

	<u>ERS</u>
Actuarial valuation date	April 1, 2022
Net pension asset/(liability)	\$ (971,759)
Town’s portion of the Plan’s total net pension asset/(liability)	0.0045316%

For the year ended December 31, 2023, the Town recognized pension expense of \$338,089 for ERS. At December 31, 2023, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 103,500	\$ 27,291
Changes of assumptions	471,949	5,216
Net difference between projected and actual earnings on pension plan investments	-	5,709
Changes in proportion and differences between the Town’s contributions and proportionate share of contributions	54,596	57,420
Town’s contributions subsequent to the measurement date	<u>159,944</u>	<u>-</u>
Total	<u>\$ 789,989</u>	<u>\$ 95,636</u>

Town contributions subsequent to the measurement date of \$159,944 will be recognized as a reduction of the net pension liability in the year 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>ERS</u>
2024	\$ 121,746
2025	(57,729)
2026	203,324
2027	267,068
2028	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 534,409</u>

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

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

	<u>ERS</u>	
	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2023	March 31, 2022
Actuarial valuation date	April 1, 2022	April 1, 2021
Interest rate	5.9%	5.9%
Salary scale	4.4%	4.4%
Cost of Living Adjustments	1.5%	1.4%
Inflation rate	2.9%	2.7%

The annuitant mortality rates are based on April 1, 2015-March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

The long term 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 the target asset allocation percentage and by adding expected inflation.

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

	<u>ERS</u>
Measurement date	March 31, 2023
Asset Type:	
Domestic Equity	4.30%
International Equity	6.85
Private Equity	7.50
Real Estate	5.84
Opportunistic/Absolute Return Strategy	5.38
Credit	5.43
Real Assets	5.84
Fixed Income	1.05
Cash	0.00

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS. 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 employees 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 for the Net Pension Liability to the Discount Rate Assumption

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS, as well as what the Town’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer’s proportionate share of the net pension asset (liability)	<u>\$ (2,348,324)</u>	<u>\$ (971,759)</u>	<u>\$ 178,522</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>ERS (in thousands)</u>
Valuation date	April 1, 2022
Employer’s total pension asset/(liability)	\$ (232,627,259)
Plan Net Position	<u>211,183,223</u>
Employer’s net pension asset/(liability)	<u>\$ (21,444,036)</u>
Ratio of plan net position to the Employer’s total pension asset/(liability)	90.78%

TOWN OF BETHEL, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
 OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, represent the projected employer contribution for the period of April 1 through December 31 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of December 31, 2023 amounted to \$159,947.

NOTE 12 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2014, the Town purchased a parcel of land from the Bethel Local Development Corporation (BLDC), a component unit of the Town of Bethel, to be used for sand and gravel mining. In addition to the purchase price, the Town of Bethel pays a commission to the Bethel Local Development Corporation for all sand and gravel extracted from the parcel. The annual commission of \$15,000 may be revised upon the mutual consent of both parties. In September 2022, the Town Board approved an increase of \$5,000 to the annual payment, for a total commission of \$20,000, which was paid in 2023. In addition, the Town contributed \$5,000 towards the BLDC’s CEAP program.

During the course of the year the Town loans money to the BLDC to fund various projects until money can be raised through grants or other sources to repay the Town. As of December 31, 2023 the Town has outstanding loans with the BLDC for the following purposes:

Smallwood Golf Course	\$ 23,844
Community Events	16,047
Operating Funds	<u>25,513</u>
 Total	 <u>\$ 65,404</u>

These transactions are included in the General Fund and Highway Fund financial statements and are eliminated in the statement of net position and statement of activities.

NOTE 13 – TAX ABATEMENTS

The Town is subject to tax abatement agreements entered into by the County of Sullivan Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended December 31, 2023, the Town received \$38,666 in tax abatement payments under these programs. These transactions resulted in abated property taxes totaling \$222,004.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2023 and May 6, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 15 – LEASES

Liabilities

The Town has entered into lease agreements that do not qualify as a short term lease or an installment purchase under GASB 87 and, therefore, have been reported as a liability equal to the present value of future minimum lease payments. The Town’s current leases reported as long term liabilities are as follows:

<u>PURPOSE</u>	<u>START DATE</u>	<u>END DATE</u>	<u>INTEREST RATE</u>	<u>PAYMENT</u>	<u>OUTSTANDING 12/31/23</u>
Office Space	7/1/2020	6/30/2026	3.00%	\$ 1,250/month	<u>\$45,546</u>

The following is a summary of future minimum lease payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 16,553	\$ 1,147
2025	18,882	618
2026	<u>10,111</u>	<u>89</u>
TOTAL	<u>\$ 45,546</u>	<u>\$ 1,854</u>

Interest expense on leases consisted of the following:

Interest Paid	\$ 1,606
Less: Interest Accrued In Prior Year	-
Plus: Interest Accrued In Current Year	<u>-</u>
TOTAL EXPENSE	<u>\$ 1,606</u>

Assets

The Town has reported right to use assets as a result of implementing GASB 87. Right to use assets are initially reported at an amount equal to the initial lease liability, and amortized over the life of the related lease.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 – LEASES (Continued)

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Right to use assets:				
Office Space	\$ 91,835	\$ -	\$ -	\$ 91,835
Total right to use assets	<u>91,835</u>	<u>-</u>	<u>-</u>	<u>91,835</u>
Less accumulated amortization:				
Office Space	<u>31,995</u>	<u>14,294</u>	<u>-</u>	<u>46,289</u>
Total Accumulated Amortization	<u>31,995</u>	<u>14,294</u>	<u>-</u>	<u>46,289</u>
Right to use assets, net	<u>\$ 59,840</u>	<u>\$ (14,294)</u>	<u>\$ -</u>	<u>\$ 45,546</u>

Amortization expense was charged to
Governmental functions as follows:

General Support	\$ 2,337
Culture and Recreation	7,282
Home and Community Services	<u>4,675</u>
TOTAL	<u>\$ 14,294</u>

Restated Amounts

Due to a change in the term of the lease, certain beginning balances had to be restated to properly reflect the values of the lease liability and right to use asset. For the year ended December 31, 2023, the beginning balance of the lease liability was decreased by \$16,126 and the beginning balance of the right to use asset was decreased by \$16,126. These restatements had no effect on the beginning net position or fund balance for the year ended December 31, 2023.

Receivables

The Town has entered into lease agreements that do not qualify as a short term lease or an installment sale under GASB 87 and, therefore, have been reported as a receivable equal to the present value of future minimum lease payments. The Town's current leases reported as long term receivables are as follows:

<u>PURPOSE</u>	<u>START DATE</u>	<u>END DATE</u>	<u>INTEREST RATE</u>	<u>PAYMENT</u>	<u>OUTSTANDING 12/31/23</u>
Solar Lease	2023	2047	4.00%	Varies	<u>\$ 488,584</u>

The initial payment on the lease in 2023 is \$42,840, with a 1% annual escalation clause throughout the 25 year lease term. For years 2024-2041, the lease payment is reduced by \$18,900 to reflect the PILOT payment made by the lessee to Sullivan County.

TOWN OF BETHEL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 – SUBSEQUENT EVENTS

On January 24, 2024, the Town Board authorized the purchase of the JD Water Holding Company LLC for the sum of \$225,000, subject to approval of the NYS Public Service Commission and approval for the creation of a municipal water district.

TOWN OF BETHEL, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,364,674	\$ 2,364,674	\$ 2,364,674	\$ -	\$ 2,152,886
Other Tax Items	67,617	67,617	83,192	15,575	84,136
Non -Property Tax Items	70,000	70,000	109,385	39,385	101,635
Departmental Income	149,150	149,150	291,453	142,303	468,900
Use of Money and Property	1,000	1,000	210,645	209,645	20,101
Licenses and Permits	2,500	2,500	2,007	(493)	1,790
Fines and Forfeitures	69,000	69,000	99,296	30,296	72,535
Sale of Property and Compensation For Loss	750	750	3,426	2,676	7,636
Miscellaneous Local Sources	17,000	17,000	42,816	25,816	47,731
State Aid	137,726	137,726	407,106	269,380	446,332
Federal Aid	-	-	68,819	68,819	46,495
TOTAL REVENUES	<u>2,879,417</u>	<u>2,879,417</u>	<u>3,682,819</u>	<u>803,402</u>	<u>3,450,177</u>
EXPENDITURES					
General Government Support	864,900	887,528	872,045	15,483	788,477
Public Safety	397,332	354,445	349,078	5,367	340,789
Health	2,124	2,124	-	2,124	1,092
Transportation	153,840	148,840	146,200	2,640	138,386
Economic Assistance and Opportunity	1,000	1,000	792	208	962
Culture and Recreation	218,669	278,668	264,586	14,082	227,128
Home and Community Services	181,352	181,352	148,644	32,708	144,238
Employee Benefits	870,200	887,200	907,285	(20,085)	817,628
Debt Service:					
Principal	300,000	248,260	14,294	233,966	12,517
Interest	40,000	40,000	1,606	38,394	2,483
TOTAL EXPENDITURES	<u>3,029,417</u>	<u>3,029,417</u>	<u>2,704,530</u>	<u>324,887</u>	<u>2,473,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(150,000)</u>	<u>(150,000)</u>	<u>978,289</u>	<u>1,128,289</u>	<u>976,477</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfer In	-	-	274	(274)	-
NET CHANGE IN FUND BALANCE	<u>(150,000)</u>	<u>(150,000)</u>	<u>978,563</u>	<u>(1,128,563)</u>	<u>976,477</u>
FUND BALANCE - Beginning of Year	<u>150,000</u>	<u>150,000</u>	<u>3,295,648</u>	<u>3,145,648</u>	<u>2,319,171</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,274,211</u>	<u>\$ 4,274,211</u>	<u>\$ 3,295,648</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY FUND
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,487,586	\$ 2,487,586	\$ 2,487,586	\$ -	\$ 2,523,095
Intergovernmental Charges	45,000	45,000	52,702	7,702	52,703
Use of Money and Property	2,000	2,000	40,931	38,931	904
License and Permits	-	-	1,240	1,240	71,500
Sale of Property and Compensation For Loss	500	500	11,996	11,496	3,546
Miscellaneous Local Sources	-	-	1,663	1,663	542
State Aid	400,000	940,751	952,463	11,712	605,468
Federal Aid	-	-	105,460	105,460	230,309
TOTAL REVENUES	<u>2,935,086</u>	<u>3,475,837</u>	<u>3,654,041</u>	<u>178,204</u>	<u>3,488,067</u>
EXPENDITURES					
Transportation	2,216,073	2,747,824	2,539,344	208,480	2,605,639
Home and Community Service	-	-	2,241	(2,241)	227,697
Employee Benefits	728,898	737,898	725,949	11,949	658,134
Debt Service:					
Principal	38,800	38,800	38,800	-	120,963
Interest	1,315	1,315	1,315	-	4,348
TOTAL EXPENDITURES	<u>2,985,086</u>	<u>3,525,837</u>	<u>3,307,649</u>	<u>218,188</u>	<u>3,616,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,000)	(50,000)	346,392	396,392	(128,714)
OTHER FINANCING SOURCES (USES)					
Operating Transfer In	-	-	2,481	2,481	-
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	348,873	398,873	-
FUND BALANCE - Beginning of Year	<u>50,000</u>	<u>50,000</u>	<u>834,348</u>	<u>784,348</u>	<u>963,062</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,183,221</u>	<u>\$ 1,183,221</u>	<u>\$ 834,348</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL DISTRICT FUND - KAUNEONGA LAKE SEWER DISTRICT
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Departmental Income	\$ 494,539	\$ 494,539	\$ 504,630	\$ 10,091	\$ 514,289
Use of Money and Property	50	50	31	(19)	21
Miscellaneous Local Sources	75,000	75,000	132,341	57,341	94,409
Interfund Revenues	<u>86,437</u>	<u>86,437</u>	<u>90,884</u>	<u>4,447</u>	<u>63,612</u>
TOTAL REVENUES	<u>656,026</u>	<u>656,026</u>	<u>727,886</u>	<u>71,860</u>	<u>672,331</u>
EXPENDITURES					
General Government Support	12,669	12,669	13,159	(490)	12,241
Home and Community Services	389,236	389,236	539,515	(150,279)	350,567
Employee Benefits	35,184	35,184	26,671	8,513	28,677
Debt Service:					
Principal	223,846	223,846	193,758	30,088	127,770
Interest	<u>8,751</u>	<u>8,751</u>	<u>5,834</u>	<u>2,917</u>	<u>6,807</u>
TOTAL EXPENDITURES	<u>669,686</u>	<u>669,686</u>	<u>778,937</u>	<u>(109,251)</u>	<u>526,062</u>
NET CHANGE IN FUND BALANCE	(13,660)	(13,660)	(51,051)	(37,391)	146,269
FUND BALANCE - Beginning of Year	<u>13,660</u>	<u>13,660</u>	<u>510,977</u>	<u>497,317</u>	<u>364,708</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,926</u>	<u>\$ 459,926</u>	<u>\$ 510,977</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICT FUND - KAUNEONGA LAKE SEWER EXTENSION DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>2022</u> <u>ACTUAL</u>
REVENUES					
Departmental Income	\$ 226,237	\$ 226,237	\$ 244,108	\$ 17,871	\$ 230,573
Use of Money and Property	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>14</u>
TOTAL REVENUES	<u>226,237</u>	<u>226,237</u>	<u>244,126</u>	<u>17,889</u>	<u>230,587</u>
EXPENDITURES					
Home and Community Services	86,437	86,437	93,257	(6,820)	65,838
Debt Service:					
Principal	120,000	120,000	120,000	-	115,000
Interest	<u>44,800</u>	<u>44,800</u>	<u>44,800</u>	<u>-</u>	<u>49,400</u>
TOTAL EXPENDITURES	<u>251,237</u>	<u>251,237</u>	<u>258,057</u>	<u>(6,820)</u>	<u>230,238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(25,000)	(13,931)	11,069	349
FUND BALANCE - Beginning of Year	<u>25,000</u>	<u>25,000</u>	<u>233,779</u>	<u>208,779</u>	<u>233,430</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,848</u>	<u>\$ 219,848</u>	<u>\$ 233,779</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
 YEAR ENDED DECEMBER 31, 2023

ERS System - Liability

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0045316%	0.0046505%	0.0048597%	0.0056492%	0.0060327%	0.0060457%	0.0058210%	0.0060696%	0.005808%
The Town's proportionate share of the net pension asset/ (liability)	\$ (971,759)	\$ 380,612	\$ (4,839)	\$ (1,495,941)	\$ (427,439)	\$ (195,123)	\$ (546,953)	\$ (974,191)	\$ (196,207)
The Town's covered employee payroll	1,701,639	1,544,684	1,569,304	1,791,115	1,800,608	1,730,842	1,585,961	1,594,098	1,497,665
The Town's proportionate share of the net pension asset/ liability as a percentage of covered employee payroll	57.11%	24.64%	0.31%	83.52%	23.73%	11.27%	34.49%	61.11%	13.10%
Plan Fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.90%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION
 YEAR ENDED DECEMBER 31, 2023

<u>ERS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 202,834	\$ 189,916	\$ 239,164	\$ 236,551	\$ 253,243	\$ 247,663	\$ 244,231	\$ 248,001	\$ 291,616	\$ 288,386
Contribution in relation to the contractually required contribution	<u>202,834</u>	<u>189,916</u>	<u>239,164</u>	<u>236,551</u>	<u>253,243</u>	<u>247,663</u>	<u>244,231</u>	<u>248,001</u>	<u>291,616</u>	<u>288,386</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Contribution as a percentage of covered employee payroll	11.92%	12.30%	15.24%	14.38%	14.13%	14.31%	14.11%	15.64%	18.29%	19.26%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
ASSETS				
Cash	\$ 56,103	\$ -	\$ 17,676	\$ 73,779
Service Award Program Assets - Restricted	-	122,077	-	122,077
Accounts Receivable	-	-	37,500	37,500
	\$ 56,103	\$ 122,077	\$ 55,176	\$ 233,356
TOTAL ASSETS				
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,362	-	-	\$ 1,362
	1,362	-	-	1,362
TOTAL LIABILITIES				
FUND BALANCES				
Restricted:				
Service Award Program	-	122,077	-	122,077
Assigned:				
Unappropriated	54,741	-	55,176	109,917
	54,741	122,077	55,176	231,994
TOTAL FUND BALANCES				
TOTAL LIABILITIES AND FUND BALANCES				
	\$ 56,103	\$ 122,077	\$ 55,176	\$ 233,356

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2023

	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES				
Real Property Taxes	\$ 23,500	\$ 99,525	\$ -	\$ 123,025
Use of Money and Property	-	3,333	5	3,338
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	23,500	102,858	5	126,363
EXPENDITURES				
Health	-	95,819	-	95,819
Transportation	13,660	-	-	13,660
Employee Benefits	-	1,650	-	1,650
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	13,660	97,469	-	111,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,840	5,389	5	15,234
OTHER FINANCING SOURCES (USES)				
Gain/(Loss) on LOSAP Assets	-	12,238	-	12,238
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	9,840	17,627	5	27,472
FUND BALANCE - Beginning of Year	44,901	104,450	55,171	204,522
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE - End of Year	<u>\$ 54,741</u>	<u>\$ 122,077</u>	<u>\$ 55,176</u>	<u>\$ 231,994</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 3,871,917	\$ 3,350,212
Cash - Restricted	135,784	135,770
Accounts Receivable	159,126	116,846
Due From Other Funds	603,600	188,600
Due From Other Governments	41,167	43,677
Due From Related Parties	65,404	65,404
Leases Receivable	488,584	-
TOTAL ASSETS	<u>\$ 5,365,582</u>	<u>\$ 3,900,509</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 34,935	\$ 44,088
Accrued Liabilities	9,693	13,200
Due To Other Funds	7,311	7,311
Due To Other Governments	5,004	3,750
Due To ERS	83,171	66,691
Other Liabilities	240,375	296,862
Escrow Liabilities	185,715	172,959
Unearned Revenues	15,000	-
TOTAL LIABILITIES	<u>581,204</u>	<u>604,861</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	510,167	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>510,167</u>	<u>-</u>
FUND BALANCE		
Non-Spendable:		
Non-Current Receivables	659,004	244,004
Restricted		
Building	135,784	135,770
Assigned:		
Appropriated	150,000	150,000
Unassigned	3,329,423	2,765,874
TOTAL FUND BALANCE	<u>4,274,211</u>	<u>3,295,648</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 5,365,582</u>	<u>\$ 3,900,509</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
HIGHWAY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,292,563	\$ 577,367
Cash - Restricted	6,711	6,711
Due From State and Federal	-	369,756
Due From Other Governments	<u>20,694</u>	<u>20,694</u>
TOTAL ASSETS	<u><u>\$ 1,319,968</u></u>	<u><u>\$ 974,528</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 26,964	\$ 45,612
Accrued Liabilities	30,507	30,507
Due To ERS	76,776	61,561
Escrow Liabilities	<u>2,500</u>	<u>2,500</u>
TOTAL LIABILITIES	<u>136,747</u>	<u>140,180</u>
FUND BALANCE		
Restricted:		
Equipment	6,711	6,711
Assigned:		
Appropriated	50,000	50,000
Unappropriated	<u>1,126,510</u>	<u>777,637</u>
TOTAL FUND BALANCE	<u>1,183,221</u>	<u>834,348</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,319,968</u></u>	<u><u>\$ 974,528</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
SPECIAL DISTRICTS FUND - LIGHTING DISTRICTS
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ <u>56,103</u>	\$ <u>45,598</u>
 TOTAL ASSETS	 <u>\$ 56,103</u>	 <u>\$ 45,598</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ <u>1,362</u>	\$ <u>697</u>
 TOTAL LIABILITIES	 <u>1,362</u>	 <u>697</u>
 FUND BALANCE		
Assigned:		
Unappropriated	<u>54,741</u>	<u>44,901</u>
 TOTAL FUND BALANCE	 <u>54,741</u>	 <u>44,901</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 56,103</u>	 <u>\$ 45,598</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL DISTRICTS FUND - LIGHTING DISTRICT
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 23,500	\$ 23,500	\$ 23,500	\$ -	\$ 23,500
Use of Money and Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
TOTAL REVENUES	<u>23,500</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>	<u>23,505</u>
EXPENDITURES					
Transportation	<u>23,500</u>	<u>23,500</u>	<u>13,660</u>	<u>9,840</u>	<u>10,915</u>
TOTAL EXPENDITURES	<u>23,500</u>	<u>23,500</u>	<u>13,660</u>	<u>9,840</u>	<u>10,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	9,840	9,840	12,590
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>44,901</u>	<u>44,901</u>	<u>32,311</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,741</u>	<u>\$ 54,741</u>	<u>\$ 44,901</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
SPECIAL DISTRICTS FUND - SEWER DISTRICTS
COMBINING BALANCE SHEET
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>KAUNEONGA LAKE SEWER</u>	<u>KAUNEONGA LAKE SEWER EXT</u>	<u>2023</u>	<u>2022</u>
ASSETS				
Cash	\$ 237,599	\$ 116,726	\$ 354,325	\$ 364,915
Accounts Receivable	140,350	-	140,350	151,796
Sewer Rents Receivable	156,955	23,077	180,032	157,430
Due From Other Funds	<u>10,050</u>	<u>80,045</u>	<u>90,095</u>	<u>90,593</u>
TOTAL ASSETS	<u>\$ 544,954</u>	<u>\$ 219,848</u>	<u>\$ 764,802</u>	<u>\$ 764,734</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	<u>\$ 85,028</u>	<u>\$ -</u>	<u>\$ 85,028</u>	<u>\$ 19,978</u>
TOTAL LIABILITIES	<u>85,028</u>	<u>-</u>	<u>85,028</u>	<u>19,978</u>
FUND BALANCE				
Non-Spendable:				
Non-Current Receivable	2,739	80,045	82,784	83,282
Assigned:				
Appropriated	-	25,000	25,000	38,660
Unappropriated	<u>457,187</u>	<u>114,803</u>	<u>571,990</u>	<u>622,814</u>
TOTAL FUND BALANCE	<u>459,926</u>	<u>219,848</u>	<u>679,774</u>	<u>744,756</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 544,954</u>	<u>\$ 219,848</u>	<u>\$ 764,802</u>	<u>\$ 764,734</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
SPECIAL DISTRICT - AMBULANCE
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Service Award Program Assets - Restricted	\$ <u>122,077</u>	\$ <u>107,184</u>
TOTAL ASSETS	<u>\$ 122,077</u>	<u>\$ 107,184</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ <u>-</u>	\$ <u>2,734</u>
TOTAL LIABILITIES	<u>-</u>	<u>2,734</u>
FUND BALANCE		
Restricted		
Service Award Program	<u>122,077</u>	<u>104,450</u>
TOTAL FUND BALANCE	<u>122,077</u>	<u>104,450</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 122,077</u>	<u>\$ 107,184</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS OF ACCOUNTING
SPECIAL DISTRICT - AMBULANCE
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Real Property Taxes	\$ 99,525	\$ 99,525	\$ 99,525	\$ -	\$ 98,687
TOTAL REVENUES	<u>99,525</u>	<u>99,525</u>	<u>99,525</u>	<u>-</u>	<u>98,687</u>
EXPENDITURES					
Health	94,982	94,982	94,982	-	98,687
Employee Benefits	<u>4,543</u>	<u>4,543</u>	<u>4,543</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>99,525</u>	<u>99,525</u>	<u>99,525</u>	<u>-</u>	<u>98,687</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - Beginning of Year - Budgetary Basis	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of Year - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
LOSAP not included in Budget			<u>122,077</u>		<u>107,184</u>
FUND BALANCE - Modified Accrual Basis			<u>\$ 122,077</u>		<u>\$ 107,184</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 MISCELLANEOUS SPECIAL REVENUE FUND
 COMBINING BALANCE SHEET
 DECEMBER 31, 2023

	<u>DRISCOLL SCHOLARSHIP</u>	<u>RECREATION FEES</u>	<u>TOTALS</u>
ASSETS			
Cash	\$ 8,851	\$ 8,825	\$ 17,676
Accounts Receivable	<u>-</u>	<u>37,500</u>	<u>37,500</u>
 TOTAL ASSETS	 <u>\$ 8,851</u>	 <u>\$ 46,325</u>	 <u>\$ 55,176</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE			
Assigned:			
Unappropriated	<u>8,851</u>	<u>46,325</u>	<u>55,176</u>
 TOTAL FUND BALANCE	 <u>8,851</u>	 <u>46,325</u>	 <u>55,176</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 8,851</u>	 <u>\$ 46,325</u>	 <u>\$ 55,176</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF BETHEL, NEW YORK
 MISCELLANEOUS SPECIAL REVENUE FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 DECEMBER 31, 2023

	<u>DRISCOLL SCHOLARSHIP</u>	<u>RECREATION FEES</u>	<u>TOTALS</u>
REVENUES			
Departmental Income	\$ -	\$ -	-
Use of Money and Property	5	-	5
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	5	-	5
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Culture and Recreation	-	-	-
Home and Community Services	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5	-	5
FUND BALANCE - Beginning of Year	8,846	46,325	55,171
	<hr/>	<hr/>	<hr/>
FUND BALANCE- End of Year	<u>\$ 8,851</u>	<u>\$ 46,325</u>	<u>\$ 55,176</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING BALANCE SHEET
 DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>HIGHWAY EQUIPMENT</u>	<u>HIGHWAY BARN</u>	<u>TOWN HALL</u>	<u>STREET LIGHTING</u>	<u>TAX CERTIORARI</u>	<u>SEWER REHAB</u>	<u>2023 TOTALS</u>	<u>2022 TOTALS</u>
ASSETS								
Cash	\$ -	\$ (4,123)	\$ 15,752	\$ -	\$ -	\$ 172	\$ 11,801	\$ 17,123
Cash - Restricted	-	-	-	-	-	-	-	2,481
TOTAL ASSETS	<u>\$ -</u>	<u>\$ (4,123)</u>	<u>\$ 15,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 11,801</u>	<u>\$ 19,604</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ 86,985	\$ 248	\$ -	\$ -	\$ 159	\$ 87,392	\$ 23,792
Due To Other Funds	-	415,000	188,600	-	-	82,784	686,384	271,882
State Loan Payable	-	-	-	78,834	-	-	78,834	78,834
BAN Payable	-	-	-	-	-	-	-	2,572,500
TOTAL LIABILITIES	<u>-</u>	<u>501,985</u>	<u>188,848</u>	<u>78,834</u>	<u>-</u>	<u>82,943</u>	<u>852,610</u>	<u>2,947,008</u>
FUND BALANCES								
Restricted	-	-	-	-	-	-	-	2,481
Assigned	-	-	-	-	-	13	13	274
Unassigned	-	(506,108)	(173,096)	(78,834)	-	(82,784)	(840,822)	(2,930,159)
TOTAL FUND BALANCES	<u>-</u>	<u>(506,108)</u>	<u>(173,096)</u>	<u>(78,834)</u>	<u>-</u>	<u>(82,771)</u>	<u>(840,809)</u>	<u>(2,927,404)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ (4,123)</u>	<u>\$ 15,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 11,801</u>	<u>\$ 19,604</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	HIGHWAY EQUIPMENT	HIGHWAY BARN	TOWN HALL	STREET LIGHTING	TAX CERTIORARI	SEWER REHAB	2023 TOTALS	2022 TOTALS
REVENUES								
Use of Money and Property	\$ -	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ 11	\$ 7
State Aid	-	-	-	-	-	97,980	97,980	267,454
TOTAL REVENUES	-	-	11	-	-	97,980	97,991	267,461
EXPENDITURES								
Capital Outlay	-	413,056	70,115	-	-	(10)	483,161	1,148,734
TOTAL EXPENDITURES	-	413,056	70,115	-	-	(10)	483,161	1,148,734
OTHER FINANCING SOURCES(USES)								
Operating Transfers Out	(2,481)	-	-	-	(274)	-	(2,755)	-
Proceeds of Long-Term Debt	-	-	-	-	-	2,474,520	2,474,520	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,481)	-	-	-	(274)	2,474,520	2,471,765	-
NET CHANGE IN FUND BALANCE	(2,481)	(413,056)	(70,104)	-	(274)	2,572,510	2,086,595	(881,273)
FUND BALANCE - Beginning of Year	2,481	(93,052)	(102,992)	(78,834)	274	(2,655,281)	(2,927,404)	(2,046,131)
FUND BALANCE - End of Year	\$ -	\$ (506,108)	\$ (173,096)	\$ (78,834)	\$ -	\$ (82,771)	\$ (840,809)	\$ (2,927,404)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Supervisor and Town Board
Of the Town of Bethel, New York
White Lake, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, New York as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Bethel, New York's basic financial statements, and have issued our report thereon dated May 6, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cooper Arias, LLP

Mongaup Valley, New York
May 6, 2024

FORM OF BOND COUNSEL'S OPINION

May 15, 2025

Town of Bethel
County of Sullivan
State of New York

Re: Town of Bethel, Sullivan County, New York
\$7,500,000 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$7,500,000 Bond Anticipation Notes, 2025 (the "Obligations"), of the Town of Bethel, Sullivan County, New York (the "Obligor"), dated May 15, 2025, numbered 1, of the denomination of \$_____, bearing interest at the rate of ___% per annum, payable at maturity, and maturing May 15, 2026, with optional redemption prior to maturity on or after September 15, 2025 at par upon 20 days' written notice.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions 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 Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP