

PRELIMINARY OFFICIAL STATEMENT

RENEWAL 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 (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 "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.



\$4,291,900

TOWN OF VESTAL

BROOME COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$4,291,900 Bond Anticipation Notes, 2025 (Renewals) **(the "Notes")**

Dated: June 5, 2025

Due: June 4, 2026

The Notes are general obligations of the Town of Vestal, Broome County, New York, 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 limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Notes will not be subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered book-entry notes or registered certificate form in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one odd denomination of \$6,900 as may be determined by successful bidder(s).

Alternatively, if the Notes are issued as registered book-entry notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one odd denomination of \$6,900 with respect to the Notes. If the Notes are issued as registered book-entry notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. 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 respective approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. 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 June 5, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on May 22, 2025 by no later than 11:00 A.M., Prevailing Time, pursuant to the respective 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 respective Notice of Sale.

May 16, 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 RESPECTIVE 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 WITH RESPECT TO THE NOTES. SEE "MATERIAL EVENT NOTICES" HEREIN.

TOWN OF VESTAL BROOME COUNTY, NEW YORK



TOWN OFFICIALS

TOWN BOARD

MARIA SEXTON
Supervisor

GLENN MILLER
ROBERT GREENE
SUZANNE MESSINA

* * * * *

ADMINISTRATION

RAJAT SAHA
Town Comptroller

JESSICA FARLEY
Deputy Town Comptroller

DEBRA WALLACE
Town Clerk

DANIEL D. REYNOLDS, ESQ.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors


orrick
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 VESTAL
BROOME COUNTY, NEW YORK**

**Relating To
\$4,291,900 Bond Anticipation Notes, 2025 (Renewals)**

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Vestal, Broome County, New York (the "Town", "County," and "State," respectively) in connection with the sale by the Town of \$4,291,900 Bond Anticipation Notes, 2025 (Renewals) (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's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the 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.

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 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.

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 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, insuring 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.

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 and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness.

The Notes are dated June 5, 2025, and will mature on June 4, 2026. 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, 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 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 in a single note form with principal and interest payable in Federal Funds at the office of the Town Clerk.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and various bond resolutions as described below.

Purpose	Authorization Date	Authorization Amount	Amount Outstanding	Principal Paydown	New Money	Issue Amount
General Fund						
Remote Control Mower	2/28/24	80,000	80,000	-	-	80,000
Large Area Mower	3/13/24	92,000	92,000	-	-	92,000
Zero Turn Mower	3/13/24	13,200	13,200	-	-	13,200
Swivel Tracked Buggy	3/13/24	21,900	21,900	-	-	21,900
Roof Repair	2/28/24	55,000	55,000	-	-	55,000
Large Area Blower	3/13/24	10,800	10,800	-	-	10,800
Building Maintenance	2/28/24	50,000	50,000	-	-	50,000
General Fund Water Pump	2/28/24	65,000	65,000	-	-	65,000
Highway Fund						
Road Reconstruction - County Roads	2/28/24	500,000	500,000	-	-	500,000
Road Reconstruction - Reg Roads	2/28/24	1,000,000	1,000,000	-	-	1,000,000
2 Dump Trucks	2/28/24	934,000	934,000	-	-	934,000
Road Bank Slope	2/28/24	170,000	170,000	-	-	170,000
Water Fund						
Consolidated Water District No. 1	9/5/18	1,350,411	1,300,000		-	1,300,000
Totals			\$4,291,900	\$0	\$0	\$4,291,900

The proceeds of the Notes will fully redeem and renew the outstanding \$4,241,900 bond anticipation notes maturing June 6, 2025 for the projects listed above.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if requested. 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 Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

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 Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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.

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

Principal and interest payments on the 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 Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the 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 OR REDEMPTION PREMIUM 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 OR REDEMPTION PREMIUM 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

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 discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof, except for one odd denomination of \$6,900 as may be determined by successful bidder(s). Principal of and interest on the Notes will be payable at the Town. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town is located in upstate New York in the geographical location known as the Southern Tier and encompasses an area of 52.5 square miles. It is situated in Broome County, bounded by the State of Pennsylvania on the South, by Tioga County on the West, the Susquehanna River to the North and by the City of Binghamton to the East.

Major expressways in and around the Town include State highway #17 and Interstate highways #86, #88 and #81. The major highways provide easy access to Scranton, PA, Albany, NY, Rochester, NY, Syracuse, NY, New York City and Buffalo, NY.

Air transportation is available through the Binghamton Regional Airport. In addition, the Elmira Corning and Ithaca Tompkins Regional Airports are just over an hour away. This allows access various national, commuter and regional airlines which include Delta, American and United. The Town is also served by the Tri-Cities Airport, located in nearby Endicott. Railroads providing freight service to the Town include Conrail, the Canadian Pacific Railroad, New York Susquehanna Railroad and Western Railroad.

Electric utility and natural gas services are provided by the New York State Electric and Gas Corporation (NYSEG). Police protection is provided by full time paid staff of the Town. Water and sewer services are provided by the Town of Vestal. Refuse service is provided by private haulers. Fire protection is provided by a volunteer force.

The Town is home to the nationally recognized Binghamton University, a part of the State University of New York system. Numerous malls and plazas offer excellent shopping while Vestal's twenty parks and Rail Trail offer many recreational opportunities. The Town is close to ski slopes for winter fun and New York's Finger Lakes for summer recreation.

Source: Town officials.

Population Trends

	<u>Town of Vestal</u>	<u>Broome County</u>	<u>New York State</u>
1970	26,909	221,815	18,236,882
1980	27,243	213,648	17,558,072
1990	26,733	212,160	17,990,455
2000	26,535	200,536	18,976,457
2010	28,043	200,600	19,378,102
2020	29,110	198,683	20,201,249
2023 (estimated)	29,320	198,683	20,202,320

Source: U. S. Census.

Banking Facilities

The following banks are located in the Town:

M&T Bank
NBT Bank, N.A.
Tioga State Bank
Citizens Bank, N.A.
Chemung Canal Trust Company
JP Morgan Chase Bank, N.A.

Source: Town officials.

Local Economy

The area medical facilities, and Binghamton University continue to drive growth within the Town. The Town is the primary retail and dining area within the county, and is represented by numerous national chains.

Construction has begun on a \$52 million housing complex, The Retreat at Bunn Hill, consisting of 64 housing structures, totaling 161 dwelling units. This complex also has a complex clubhouse, swimming pool, and other support structures and facilities.

The department has received a building permit application and plans for a \$49.9 million, 258,414 sq. foot, 5-story apartment building, totaling 195 dwelling units. This building will also house the tenant amenity area and a small retail space.

Another apartment complex has received approvals from the Zoning Board of Appeals, but has, so far, not submitted to the Planning Board for approval.

The Town had 7 new houses permitted in 2024, with an average cost of construction of \$350,000. This has been the average number of new homes permitted for the last several years.

Commercial development continues to be steady. Despite the lose of several tenants, we tend to get inquires to fill the spaces in short order. Plans are in development for several of these spaces, including 2 restaurants and 2 takeout food establishments.

Several established commercial businesses are in development for additions, and several new support buildings.

Overall, growth appears to be in the upward direction.

Source: Town officials.

Larger Employers within Broome County

Many residents of the Town find employment with one of the following major employers located within Broome County.

Some of the major employers located within the Binghamton, NY Metropolitan Statistical Area (MSA) are as follows:

<u>Company</u>	<u>Location</u>	<u>Employees</u>	<u>Type</u>
Binghamton University	Vestal	5,943	Education
United Health Services	Binghamton	5,428	Healthcare
Lockheed Martin *	Owego	2,700	Systems Integration
Broome County Government	Binghamton	2,500	Government
Lourdes Hospital	Binghamton	2,311	Healthcare
New York State Government	Binghamton	2,034	Government
Broome Developmental Center	Binghamton	1,400	Human Services
Amphenol Aerospace	Sidney	1,400	Electronic Devices
BAE Systems	Endicott	1,300	Mission Systems

* Physically located in Tioga County (part of the Binghamton MSA), but employs many Broome County residents.

Source: City of Binghamton and New York State Department of Labor.

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 Census reports.

	<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>
Towns of:						
Vestal	\$ 26,452	\$ 35,683	\$ 38,782	\$ 82,507	\$ 94,742	\$ 107,714
County of:						
Broome	24,314	31,224	35,116	57,545	73,171	83,422
State of:						
New York	30,948	43,208	49,520	67,405	92,731	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 census, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are available for the Town. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the Town, or vice versa.

	<u>Year Average</u>							
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town of Vestal	5.8%	4.9%	4.6%	6.4%	4.4%	3.6%	4.0%	4.4%
Broome County	5.6	4.9	4.5	8.3	5.2	3.8	3.9	4.0
New York State	4.7	4.1	3.8	9.9	6.9	4.3	4.1	4.3

	<u>2024-2025 Monthly Figures</u>												
	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Town of Vestal	4.5%	5.0%	5.1%	5.3%	4.1%	4.2%	4.3%	4.2%	4.3%	4.4%	4.1%	N/A	N/A
Broome County	3.6	4.0	4.4	4.3	3.4	3.5	3.6	3.9	4.8	5.0	4.4	N/A	N/A
New York State	4.0	4.3	4.8	4.8	4.0	4.2	4.2	4.2	4.6	4.3	4.1	N/A	N/A

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

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

Post-Secondary Education

The Town is home to the main campus of Binghamton University (the “University”). The University began as Triple Cities College in 1946, joining the State University System in 1950 as Harpur College. In 1965 the campus was formally designated the State University of New York at Binghamton. Today, the University consists of the Harpur College of Arts & Sciences, the College of Community & Public Relations, the School of Management, the Decker College of Nursing & Health Services, the School of Pharmacy and Pharmaceutical Sciences, and the Thomas J. Watson College of Engineering & Applied Science. The University had a Fall 2023 semester enrollment of 14,402 undergraduates and 3,910 graduate students.

Binghamton’s most recent recognition comes from U.S. News & World Report, which ranks the University 33rd among public universities and colleges, and 83rd among national universities in its 2023 listing of “America’s Best Colleges.” Binghamton as well as 35th in its 2023 Best Colleges ranking for Public Schools.

SUNY Broome Community College (formerly known as Broome Community College) is a comprehensive academic institution supervised by the State University of New York, sponsored by Broome County, and accredited by both professional and educational organizations. The college was chartered as the New York State Institute of Applied Arts and Sciences at Binghamton in 1946. It became Broome Community in 1971. SUNY Broome Community College had an enrollment of 2,457 full-time and 2,978 part-time students for the Fall 2023 semester. The College offers degrees in sixty programs and various certificate programs designed to prepare graduates for immediate employment or transfer to four-year colleges and universities.

Form of Town Government

The Town is governed by the provisions of the Local Finance Law, General Municipal Law and the Town Law, as well as other statutes.

The chief executive officer and chief fiscal officer of the Town is the Supervisor who was elected for a term of four years and is eligible to succeed himself. 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 for four-year terms. Each term is staggered so that every two years two Councilmen run. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and councilmen are elected at large.

The Town Board appoints all department heads and non-elected officials.

Financial Organization

Pursuant to the Local Finance Law and the Town Law, the Supervisor is the chief fiscal officer and budget officer of the Town. The Town Comptroller serves as the director of finance, the chief auditing and accounting officer and audits all claims against the Town and maintains the central accounting records.

Budgetary Procedures

The Supervisor and the Town Board prepares a preliminary budget each year, pursuant to the laws of the State of New York, and holds a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year no later than November 20. The budget is not subject to referendum. See “TAX LEVY LIMITATION LAW” herein.

The Town’s Tax Levy for 2021 increased by 0.65%, which was within the Town’s tax levy cap limit.

The Town’s Tax Levy for 2022 increased by 2.47%, which was within the Town’s tax levy cap limit.

The Town’s Tax Levy for 2023 increased by 2.80%, which was within the Town’s tax levy cap limit.

The Town’s Tax Levy for 2024 increased by 2.68%, which was within the Town’s tax levy cap limit.

The Town’s Tax Levy for 2025 increased by 5.50%, which is within the Town’s tax levy cap limit.

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 at present only invests in items (1), (2) and (8) above. In addition, in 2018 the Town entered into a cooperative investment agreement with New York Cooperative Liquid Assets Securities System (NYCLASS), pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law and the Town's investment policy.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2025 fiscal year, approximately 3.33% 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.

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

Employees

The Town currently employs approximately 150 people. The number of Town employees represented by collective bargaining agents and the dates of expiration of their agreements are as follows:

<u>Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
CSEA Blue	53	December 31, 2026
Police Benevolent Assn.	31	December 31, 2026
Vestal Police Supervisors Assn.	8	December 31, 2026
CSEA Town of Vestal	25	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 and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally 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 Systems.

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

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

For both ERS & PFRS, Tier 5 provides for:

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

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Town's payments to ERS and PFRS since the 2020 fiscal year have been as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2020	\$ 681,900	\$ 627,882
2021	732,399	717,902
2022	610,424	753,386
2023	679,403	853,042
2024	786,839	994,935
2025 (Budgeted)	942,394	1,251,630

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 currently have any early retirement incentives outstanding. The Town offered a retirement incentive in 2020 for 2 employees to retire in exchange for no health insurance contributions from July 1, 2020 until said employees become Medicare eligible. The Town realized savings of approximately \$59,000 for 2020 and \$85,000 for 2021 as a result. The Town has no plans to offer retirement incentives in the current fiscal year.

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 ERS in the 1990s, the locally required annual contribution declined to near zero. However, with the subsequent decline in the equity markets in the early 2000s, the pension system became underfunded. As a result, required contributions for ERS increased substantially from 1.5% in 2003 to 12.9% in 2005. Wide swings in the contribution rates can result in budgetary planning problems for many participating local governments.

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

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

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

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

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the 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. For 2014 and 2015 the rate is 12.0% for ERS; the rates applicable to 2016 and thereafter are subject to adjustment. 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 ERS 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 ERS ("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 ERS administrative staff for further information on the latest actuarial valuations of the ERS.

Other Post-Employment Benefits

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

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 contracted with Armory Associates, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The table on the following page outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

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Balance beginning at December 31:	2021	2022
	\$ 59,385,470	\$ 61,417,193
<u>Changes for the year:</u>		
Service cost	1,880,883	1,936,050
Interest	1,278,370	1,284,179
Changes in benefit terms	215,225	-
Differences between expected and actual experience	-	(3,794,077)
Changes in assumptions or other inputs	589,039	(9,969,376)
Benefit payments	(1,931,794)	(2,028,935)
Net Changes	\$ 2,031,723	\$ (12,572,159)
Balance ending at December 31:	2022	2023
	\$ 61,417,193	\$ 48,845,034

Source: GASB Statement No. 75 Annual Report.

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

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 the Notes are to be issued, is the Town Law and the Local Finance Law. The Town is in compliance with the estoppel procedure.

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 financial affairs of the Town are subject to audits by the State Comptroller. The Town retains independent auditors Insero & Co. to audit its financial statements and review the Town’s single audit requirements, if any.

The most recent Audited Financial report is for fiscal year ended December 31, 2023. The audit for the fiscal year ended December 31, 2024 is not yet available as of the date of this Official Statement. The Audited Financial report is for fiscal year ended December 31, 2023 is attached hereto as Appendix – D to this Official Statement. Certain other financial information can also be found in APPENDIX – A1 – A3 attached hereto.

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 (GAAP) 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). The Town began implementing procedures to comply with GAAP starting with fiscal year ended December 31, 2017.

The Town’s audited financial statements for the year ended December 31, 2023 comply 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. In addition, the Town’s audited financial statements comply with GASB Statement No. 75 (see “Other Post-Employment Benefits” herein).

Fund Balance Policy

The Town adopted a reserve fund policy on August 10, 2016 that covers reserve and unassigned fund balance.

For restricted fund balance (reserves) the town shall strive to maintain a level of reserves to guard taxpayers against a service disruption and to help reduce the reliance on borrowing. Funding of the reserves comes from surplus funds in a fiscal year or other sources designated by the Town Board. The Board must approve any expenditures of or use of reserves by approval of a resolution and the reserves shall only be used for their intended purpose.

For unassigned fund balance the Town will maintain levels at no less than 10% and no more than 15% of the total adopted budgeted expenditures of the general fund. On an annual basis the Comptroller/Director of Finance will calculate and verify compliance with this by taking the audited balance available in the unrestricted unassigned fund balance of the general fund for the most recent audited fiscal year and dividing that by the adopted expenditure budget for the current fiscal year for the general fund, taking into account any appropriation of fund balance. The Comptroller/Director of Finance shall report annually to the Town Board and make recommendations for the use of funds or the replenishment of funds, depending of a surplus or deficit. For years in which a surplus results, any excess may be utilized for any lawful purpose by the Town Board. For years in which a deficit occurs resulting in the unrestricted unassigned fund balance falling below 10%, the Comptroller/Director of Finance shall prepare and submit to the Town Board a plan to restore the minimum target level in the next budget year or appropriate period of time.

New York State Comptroller Report of Examination

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.

The Town has not been audited by the State Comptroller's office in the past five years and there are no State Comptroller audits of the Town that are currently in progress or pending release.

Note: Reference to websites implies no warranty of accuracy of information therein, nor inclusion 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 update document filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three years for the Town are as follows:

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

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

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 1,879,891,551	\$ 2,000,571,688	\$ 2,115,879,724	\$ 2,342,338,670	\$ 2,424,240,860
New York State					
Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	\$ 1,879,891,551	\$ 2,000,571,688	\$ 2,115,879,724	\$ 2,342,338,670	\$ 2,424,240,860

Tax Rate per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town of Vestal	\$ 4.54	\$ 4.32	\$ 4.16	\$ 3.65	\$ 3.48
Vestal Fire District	0.83	0.88	0.89	0.86	1.01

Tax Collection Procedure

Taxes and assessments are payable during January without penalty. After February 1, taxes are collected by the Town receiver of taxes until March 31, with a 1% per month penalty. Thereafter, unpaid taxes become the responsibility of the County.

The Town Receiver of Taxes and Assessments collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town prior to distributing the balance collected to the County in April. The Town thereby is assured of 100% tax collections. Responsibility for collecting of unpaid taxes rests with the County.

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>
Town of Vestal	\$ 9,622,689	\$ 9,708,454	\$ 9,892,819	\$ 9,634,170	\$ 9,209,749
Vestal Fire District	1,623,708	1,815,830	1,954,123	2,073,774	2,037,274
Total Tax Levy ⁽¹⁾	11,246,397	11,524,284	11,846,942	11,707,944	11,247,023
Amount Uncollected ⁽²⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Does not include adjustments to the levy as a result of County ordered changes in assessments and similar corrections.

(2) See "Tax Collection Procedure".

Largest Taxpayers – 2024 Assessment Roll for 2025

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
NYSEG	Utility	\$ 255,120,814
Vestal Town Square LLC	Retail	25,356,500
Vestal Parkway Plaza LLC	Retail	24,022,185
Wal-Mart Stores Inc.	Retail	16,650,000
Vestal Shoppes LLC	Retail	13,250,000
Sam's Real Estate Business	Retail	12,350,000
Vestal Campus Plaza LLC	Retail	12,942,000
FGR Realty LLC	Commercial	11,071,400
Dayton Hudson Corp. (Target)	Retail	10,650,000
Arctrust Vestal Home Improvement Dst	Retail	9,870,000

The larger taxpayers listed above have a total assessed valuation of \$391,282,899 which represents approximately 16.14% of the tax base of the Town.

Note: There are Article 7 tax certiorari proceedings pending brought by some of the Town's largest taxpayers. Many of these are routinely abandoned or dismissed pursuant to Court rules. The remainder will be resolved by settlement or by further court proceedings. The Town does not reasonably expect the outcomes of these appeals to have a material impact on the Town's finances.

Source: Town Tax Rolls.

Sales and Franchise Taxes

County Sales Tax: A 4% sales tax is levied in the County of Broome under the general authority of Article 29 of the Tax Law. This tax is administered and collected by the State Tax Commission in the same manner as that relating to the State imposed 4.00% sales and compensating use tax. The County retains a full 25% of the County sales tax. Effective January 1, 2007, the County evenly split the remaining 75% of sales tax (3% imposed) with the municipalities within it based on population. However, in 2009 the County capped the sales tax growth actually distributed to 0.5% from 2010 to 2011, 1% from 2011 to 2012, 1.5% from 2012 to 2013 and 2% in 2014 and thereafter. As the Town's population grew by 5.7% from the 2000 census to the 2010 census, sales tax revenue increased 6.1% from 2010 to 2012. In November 2012, the County amended this sharing formula for 2013 to provide the constituent municipalities an additional 10% of sales tax collected which exceeds the cap. In November 2013, the formula was amended to provide 20% of the sales tax collected which exceeds the cap. In November 2015, the formula was amended to provide 30% of the sales tax collected which exceeds the cap. In November 2016, the formula was again amended and now returns 50% of the 3% imposed sales tax to the constituent municipalities based on population. The Town does not expect this formula to change in the foreseeable future.

As the Town's population increased 4.5% from the 2010 census to the 2020 census, the Town's share of the County's distribution has increased from 13.98% to 14.75%. Based on pre-pandemic sales tax collections, this increase will generate over \$400,000 in additional revenue.

Franchise Tax: The cable television company providing service in the Town must pay a franchise fee of 5% to the Town on gross receipts generated in the Town.

Below is a table of sales tax and franchise tax revenues for the past five fiscal years, and the budgeted amounts for the current fiscal year:

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>	<u>Franchise Tax Revenues</u>
2019	7,346,072	325,443
2020	7,277,420	321,358
2021	8,544,516	311,730
2022	9,648,114	312,485
2023	10,139,212	296,719
2024	10,428,259	268,548
2025 (Budgeted)	10,342,600	200,000

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.

Based on taxable assessed valuation, the assessment roll of the Town is constituted approximately 62% residential and 38% commercial, industrial, public service and other.

The total property tax bill of a \$100,000 residential property located in the Town is approximately \$3,401 including County, Town, Fire District, School and Library District taxes and excluding special assessments for improvement districts.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, 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. It was set to expire June 15, 2020 unless extended; it has since been made permanent. 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.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 (“Chapter 59”), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this and any future similar laws for future tax levies and for operations and services of the Town are uncertain at this time.

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 the Bonds and Notes include the following:

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 or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and 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; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. 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 notes.

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 estate 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, by the enactment of the Local Finance Law, authorized the powers and procedure for the Town to borrow and incur indebtedness, subject, of course, to the constitutional 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 resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the 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 where a bond resolution 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 an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) 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 notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Town with the power to issue certain other short-term general obligations 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 Year Ending December 31:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds – Town	\$ 3,801,665	\$ 2,305,000	\$ 1,475,000	\$ 1,943,827	1,320,000
Bonds – Fire District ⁽¹⁾	466,000	430,000	390,000	345,000	300,000
Bond Anticipation Notes – Town	9,418,307	10,830,302	10,022,481	9,803,546	14,385,433
Bond Anticipation Notes – Fire District ⁽¹⁾	1,422,541	1,327,249	8,431,957	9,636,665	10,566,373
Revenue or Tax Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 15,108,513</u>	<u>\$ 14,892,551</u>	<u>\$ 20,319,438</u>	<u>\$ 21,729,038</u>	<u>\$ 26,571,806</u>

- ⁽¹⁾ The Vestal Fire District is a separate political subdivision of the State with the same geographical boundaries as the Town which, by virtue of special legislation, previously had the Town Board also serve as the Board of Fire Commissioners. The Fire District Board of Fire Commissioners is now an independently elected board. Tax levy amounts and borrowed funds of either jurisdiction cannot be utilized by the other and neither jurisdiction is liable for the debt of the other. Provided for reference due to overlapping boundary congruence.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town and the overlapping fire district unit of government evidenced by bonds and notes as of May 16, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2025-2031	\$ 1,160,000
Fire District Bonds (not debt of the Town)	2025-2030	255,000
<u>Bond Anticipation Notes</u> ⁽¹⁾		
Various Projects	June 6, 2025	4,291,900 ⁽²⁾
Various Projects	August 8, 2025	8,814,532 ⁽³⁾
Emergency Squad Building	August 8, 2025	1,279,001 ⁽⁴⁾
Fire District BANs (not debt of the Town)	August 8, 2025	<u>10,566,373</u> ⁽⁵⁾
Total Indebtedness		<u>\$ 26,366,806</u>

- ⁽¹⁾ In general, the Town pays assessable improvements debt by making annual budgeted principal payments and renewing bond anticipation notes for the maximum period of probable usefulness pursuant to Local Finance Law (Up to 40 years). Projects that are not deemed assessable improvements and have a period of probable usefulness of five years or less are paid in five or less equal budget installments. Projects that are not assessable improvements and have a period of probable usefulness of more than five years are converted to serial bonds for their remaining periods of probable usefulness.
- ⁽²⁾ To be fully redeemed and renewed with the proceeds of the Notes.
- ⁽³⁾ To be partially redeemed and renewed at maturity with bond anticipation notes and available funds of the Town.
- ⁽⁴⁾ To be partially redeemed and renewed at maturity with bond anticipation notes and available funds of the Town.
- ⁽⁵⁾ To be partially redeemed and renewed at maturity with bond anticipation notes and available funds of the Fire District.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 16, 2025:

Five-Year Average Full Valuation of Taxable Real Property	\$ 2,152,584,498
Debt Limit – 7% thereof	150,680,914

Inclusions: ⁽¹⁾

Bonds	\$ 1,160,000	
Bond Anticipation Notes	14,385,433	
Total Inclusions		\$ 15,545,433

Exclusions:

Water Indebtedness – Bonds ⁽²⁾	\$ 228,059	
Water Indebtedness – Notes ⁽²⁾	4,302,781	
Appropriations – Bonds ⁽³⁾	0	
Appropriations – Notes ⁽³⁾	0	
Total Exclusions		\$ 4,530,840

Total Net Indebtedness Subject to Debt Limit	\$ 11,014,593
Net Debt-Contracting Margin	\$ 139,666,321
Percent of Debt Contracting Power Exhausted	7.31%

- (1) Does not include Vestal Fire District indebtedness in the amount of \$255,000 serial bonds and \$10,566,373 bond anticipation notes, which is not debt of the Town.
- (2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- (3) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Bonded Debt Service

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

Authorized But Unissued Debt

On September 5, 2018, the Town Board adopted a bond resolution, authorizing at a maximum estimated cost of \$1,350,411, improvements to the Town’s Water/Wastewater infrastructure to prevent further water system interruptions to critical facilities within the Town such as the Joint Sewage Treatment Plant, UHS critical care facilities and Binghamton University. The Town’s share will be slightly over \$540,000. On August 10, 2022, a public hearing was held regarding the maximum estimated cost of the increase and improvement of the facilities of the Consolidated Water District No.1, for a new maximum estimated cost of \$2,000,000. The Town has been awarded a NYS Water Infrastructure Improvement (WIIA) grant from the Environmental Facilities Organization in the amount of \$991,610. A \$1,300,000 portion of the \$4,291,900 Notes issued on June 6, 2024 was issued for this purpose. The proceeds of the Notes will fully redeem and renew the outstanding \$4,291,900 Notes maturing on June 6, 2025.

On May 22, 2024, a bond resolution was approved by the qualified voters of the Town for financing of the African Rail Trail at a maximum estimated cost of \$3,000,000. A \$1,000,000 portion of the series A notes issued on August 8, 2024 provided new monies for the African Rail Trail.

Cash Flow Borrowing

The Town has not found it necessary to borrow revenue or tax anticipation notes or budget or deficiency notes in the known past, and does not reasonably expect to issue such notes in the foreseeable future.

Installment Purchase Debt

In 2019, the Town entered into an installment purchase agreement with Xerox for copier/fax machines. As of the date of this Official Statement, the outstanding balance of such agreement is \$1,661.70.

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. Bonded indebtedness, including bond anticipation notes, is estimated of the respective governmental units not adjusted to include subsequent bond issues, if any.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Broome	4/1/2025	\$ 179,616,581 ⁽²⁾	\$ 9,915,000 ⁽³⁾	\$ 169,701,581	18.96%	\$ 32,175,420
School District						
Vestal CSD	11/19/2024	38,233,800 ⁽²⁾	30,701,741 ⁽⁴⁾	7,532,059	89.73%	6,758,516
Fire District						
Vestal Fire	6/24/2024	9,936,665 ⁽²⁾	- ⁽³⁾	9,936,665	100.00%	9,936,665
					Total:	\$ 48,870,601

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (3) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (4) Amount excluded represents State building aid on existing bonded indebtedness estimated to be received by the district pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963.

Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of May 16, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 11,014,593	\$ 375.67	0.45%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	59,885,194	2,042.47	2.47

- (a) The 2023 estimated population of the Town is 29,320. (See "THE TOWN – Population" herein.)
- (b) The Town's full value of taxable real estate for 2024 is \$2,424,240,860. (See "TAX INFORMATION" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$48,870,601. (See "Estimated Overlapping Indebtedness" herein.)

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 “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 Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the 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 note will decline, causing the noteholder to incur a potential capital loss if such 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 a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

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, 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 (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”.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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 ensure 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 an 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.

Current and 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 owners from realizing the full current benefit of the tax status of such interest. 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.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the Town or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

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, mainly tax certiorari and property damage filings. 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 as the Town's insurance reserve has sufficient funds to cover any verdict or settlement. The Town has purchased liability insurance for general liability, law enforcement liability, public officials' liability and an excess risk policy.

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 Notes or contesting the corporate existence or boundaries of the Town.

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 a Notice of Material Events Certificate, a description of which, is attached hereto as "APPENDIX – C".

Historical Compliance

The Town on occasion did not file in a timely manner certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the Town. The underlying rating of the Town was not affected by such bond insurer rating changes.

The Town failed to file its audited financial statements for the fiscal year ending December 31, 2015 by the last business day of the succeeding fiscal year. The Town's audited financial statements were filed January 13, 2017.

The Town failed to file Annual Financial Information, consisting of its unaudited Annual Financial Report Update Document for the Fiscal Year Ended December 31, 2018, within six months of the fiscal year end in the event that the Audited Financial Statements were not yet available. Additionally, the Town failed to file its Failure to Provide Event Filing Information as required, consisting of event notices disclosing its failure to file said Annual Financial Report Update Document within the timeline stated in the Town's prior undertaking agreements. The Town's Annual Financial Update Document for Fiscal Year Ending December 31, 2018 is dated as of April 30, 2019 and were posted to the MSRB's EMMA System on September 25, 2019. Although the Annual Financial Report Update Document is dated as of April 30, 2019, the document was not finalized until September 2019 due to pending changes to the information contained therein. A material event notice to this effect was filed on September 25, 2019.

The Town failed to file its Failure to Provide Event Filing Information as required, consisting of event notices disclosing its failure to file said Audited Financial Statements for Fiscal Year Ended December 31, 2019 within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for Fiscal Year Ending December 31, 2019 are dated as of January 28, 2021 and were posted to the MSRB's EMMA System on February 16, 2021. The Town has updated internal procedures to ensure that this does not happen in the future.

Except as noted above, the Town is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

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 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, 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.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Town, as such rating action will result in a material event notification to be posted to EMMA which is required by the Town's Continuing Disclosure Undertakings and may require supplementation of the Official Statement. (See "MATERIAL EVENT NOTICES" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA-" with a stable outlook to the Town's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's 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", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words 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.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinions 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.

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, the Town 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 a limitation as to information in the Official Statement obtained from sources other than the Town.

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.

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 assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town contact information is as follows: Mr. Rajat Saha, Town Comptroller, Town of Vestal, 605 Vestal Parkway West, Vestal, New York 13850, phone: (607) 748-1514 x324, telefax: (607) 786-3631, email: rsaha@vestalny.com.

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

This Official Statement has been duly executed and delivered by the Town Supervisor of the Town of Vestal.

TOWN OF VESTAL

Dated: May 16, 2025

MARIA SEXTON
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>
<u>ASSETS</u>					
Cash and Investments	\$ 2,590,139	\$ 3,213,895	\$ 4,765,085	\$ 7,422,422	\$ 6,435,768
Due from Other Funds	-	38,398	700	-	145,493
Due from State and Federal Governments	24,408	84,911	26,226	13,161	10,986
Due from Other Governments	1,230,489	1,431,186	1,701,633	1,905,592	2,106,066
Prepaid Expenses	310,473	323,074	354,258	330,217	391,091
Other Receivables, net	167,469	236,039	144,701	162,854	279,916
Restricted Cash and Cash Equivalents	1,599,229	2,221,110	2,290,630	2,133,338	-
Restricted Investments	579,622	219,947	220,098	219,920	2,245,409
TOTAL ASSETS	\$ 6,501,829	\$ 7,768,560	\$ 9,503,331	\$ 12,187,504	\$ 11,614,729
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 178,325	\$ 145,902	\$ 224,790	\$ 145,104	\$ 446,348
Accrued Liabilities	331,269	434,133	639,412	598,401	794,441
Due to Other Funds	5,708	34,062	-	-	1,200,989
Due to Other Governments	-	10,108	11,182	15,782	18,041
Other Liabilities	-	-	-	-	-
Unearned Revenue	8,140	-	1,466,114	2,811,562	1,741,004
TOTAL LIABILITIES	\$ 523,442	\$ 624,205	\$ 2,341,498	\$ 3,570,849	\$ 4,200,823
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Leases	\$ -	\$ -	\$ -	\$ 19,576	\$ 11,034
<u>FUND EQUITY</u>					
Nonspendable	\$ 310,473	\$ 323,074	\$ 354,258	\$ 330,217	\$ 391,091
Restricted	2,190,063	2,446,233	2,515,903	2,362,527	2,245,409
Committed	-	-	-	-	-
Assigned	1,505,399	731,164	2,567,091	1,609,632	1,816,888
Unassigned	1,972,452	3,643,884	1,724,581	4,294,703	2,949,484
TOTAL FUND EQUITY	\$ 5,978,387	\$ 7,144,355	\$ 7,161,833	\$ 8,597,079	\$ 7,402,872
TOTAL LIABILITIES and FUND EQUITY	\$ 6,501,829	\$ 7,768,560	\$ 9,503,331	\$ 12,187,504	\$ 11,614,729

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 5,512,346	\$ 5,652,205	\$ 5,700,760	\$ 5,818,039	\$ 5,957,557
Real Property Tax Items	180,840	185,646	215,534	222,388	234,157
Non Property Tax Items	5,118,515	5,317,778	6,480,246	7,327,143	7,779,961
Departmental Income	359,690	235,003	275,804	309,435	382,758
Intergovernmental Charges	51,000	25,500	25,500	25,500	25,500
Use of Money & Property	247,789	94,707	51,932	141,280	539,440
Licenses and Permits	182,258	153,579	169,186	217,352	185,646
Fines and Forfeitures	193,053	117,393	87,321	109,990	124,222
Sale of Property and Compensation for Loss	47,946	292,050	100,175	88,862	102,120
Miscellaneous	238,428	322,519	102,189	127,536	458,923
Interfund Revenues	234,989	249,756	224,359	238,760	-
Revenues from State Sources	358,579	438,119	759,392	1,246,667	600,383
Revenues from Federal Sources	12,668	90,910	11,340	175,305	1,043,070
Total Revenues	<u>\$ 12,738,101</u>	<u>\$ 13,175,165</u>	<u>\$ 14,203,738</u>	<u>\$ 16,048,257</u>	<u>\$ 17,433,736</u>
EXPENDITURES					
General Government Support	\$ 2,025,581	\$ 1,938,170	\$ 2,065,935	\$ 2,377,314	\$ 2,999,358
Public Safety	4,102,741	4,447,842	4,549,481	4,940,501	5,217,442
Health	1,500	1,498	1,499	1,631	1,572
Transportation	375,779	346,779	366,710	392,442	436,115
Economic Assistance and Opportunity	18,428	10,426	10,829	9,501	18,457
Culture and Recreation	1,240,854	859,653	1,221,793	1,044,840	1,214,457
Home and Community Services	12,911	14,149	18,154	17,689	14,879
Employee Benefits	1,580,729	1,623,605	1,821,892	1,822,064	2,125,495
Debt Service	567,495	405,736	746,746	388,064	572,030
Total Expenditures	<u>\$ 9,926,018</u>	<u>\$ 9,647,858</u>	<u>\$ 10,803,039</u>	<u>\$ 10,994,046</u>	<u>\$ 12,599,804</u>
Excess of Revenues Over (Under) Expenditures	<u>2,812,083</u>	<u>3,527,307</u>	<u>3,400,699</u>	<u>5,054,211</u>	<u>4,833,932</u>
Other Financing Sources (Uses):					
Operating Transfers In	33,000	199,232	188,041	500,737	389,710
Appropriated Reserve	-	-	-	-	-
Operating Transfers Out	(2,680,226)	(2,560,568)	(3,571,262)	(4,119,702)	(6,417,848)
Other Budgetary Purposes	-	-	-	-	-
Total Other Financing	<u>(2,647,226)</u>	<u>(2,361,336)</u>	<u>(3,383,221)</u>	<u>(3,618,965)</u>	<u>(6,028,138)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>164,857</u>	<u>1,165,971</u>	<u>17,478</u>	<u>1,435,246</u>	<u>(1,194,207)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	5,813,530	5,978,387	7,144,355	7,161,833	8,597,079
Residual Equity Transfers	-	-	-	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 5,978,387</u>	<u>\$ 7,144,357</u>	<u>\$ 7,161,833</u>	<u>\$ 8,597,079</u>	<u>\$ 7,402,872</u>

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

GENERAL FUND

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

Fiscal Years Ending December 31:	2023			2024		2025	
	Adopted Budget	Final Actual	Actual	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
REVENUES							
Real Property Taxes	\$ 5,963,478	\$ 5,963,478	\$ 5,957,557	\$ 5,841,960	\$ 6,161,939		
Real Property Tax Items	221,044	221,044	234,157	211,062	336,327		
Non-Property Tax Items	6,580,000	6,580,000	7,779,961	7,545,000	7,524,400		
Departmental Income	321,550	331,057	382,758	409,490	446,440		
Intergovernmental Charges	-	25,500	25,500	31,500	196,425		
Use of Money & Property	120,800	120,800	539,440	304,800	230,000		
Licenses and Permits	180,325	180,325	185,646	180,825	174,325		
Fines and Forfeitures	85,000	85,000	124,222	105,000	105,000		
Sale of Property and Compensation for Loss	61,000	84,544	102,120	70,000	108,888		
Miscellaneous	91,500	181,458	458,923	89,000	277,041		
Interfund Revenues	238,760	238,760	-	271,595	-		
Revenues from State Sources	514,963	534,438	600,383	552,913	536,213		
Revenues from Federal Sources	78,500	1,112,146	1,043,070	8,500	15,000		
Total Revenues	\$ 14,456,920	\$ 15,658,550	\$ 17,433,736	\$ 15,621,645	\$ 16,111,998		
EXPENDITURES							
General Government Support	\$ 2,738,196	\$ 3,103,015	\$ 2,999,358	\$ 2,816,843	\$ 2,722,753		
Public Safety	5,177,795	5,307,245	5,217,442	5,752,029	5,660,937		
Health	1,500	1,572	1,572	1,500	1,500		
Transportation	445,989	450,948	436,115	449,206	551,000		
Economic Assistance and Opportunity	18,833	19,233	18,457	21,833	23,921		
Culture and Recreation	1,344,976	1,342,805	1,214,457	1,471,528	1,555,241		
Home and Community Services	19,740	20,216	14,879	20,240	20,555		
Employee Benefits	1,867,800	2,127,139	2,125,495	5,395,982	2,515,702		
Debt Service	332,131	572,033	572,030	286,856	454,147		
Total Expenditures	\$ 11,946,960	\$ 12,944,206	\$ 12,599,805	\$ 16,216,017	\$ 13,505,756		
Excess of Revenues Over (Under) Expenditures	2,509,960	2,714,344	4,833,931	(594,372)	2,606,242		
Other Financing Sources (Uses):							
Operating Transfers In	2,884,913	-	389,710	-	-		
Appropriated Reserve	11,527	219,710		629,172	-		
Operating Transfers Out	(34,800)	(7,588,815)	(6,417,848)	(34,800)	(3,087,788)		
Other budgetary purposes	(5,371,600)	-	-	-	-		
Total Other Financing	(2,509,960)	(7,369,105)	(6,028,138)	594,372	(3,087,788)		
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(4,654,761)	(1,194,208)	-	(481,546)		
FUND BALANCE							
Fund Balance - Beginning of Year	-	4,654,761	8,597,079	-	481,546		
Appropriated Reserves & Fund Balance	-	-	-	-	-		
Prior Period Adjustments (net)	-	-	-	-	-		
Fund Balance - End of Year	\$ -	\$ -	\$ 7,402,871	\$ -	\$ -		

Source: 2023 Audited Financial Statement and budgets of the Town.
This Appendix itself is not audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>WATER DISTRICT FUND</u>					
Fund Equity - Beginning of Year	\$ 3,325,474	\$ 2,401,354	\$ 2,593,765	\$ 3,397,555	\$ 3,667,591
Prior Period Adjustments (net)	-	(4)	11,941	-	-
Residual Equity Transfers (net)	-	-	-	-	-
Revenues & Other Sources	3,260,162	3,143,966	3,754,712	3,817,698	3,640,446
Expenditures & Other Uses	4,184,286	2,951,555	2,962,862	3,547,662	4,451,304
Fund Equity - End of Year	\$ 2,401,354	\$ 2,593,765	\$ 3,397,555	\$ 3,667,591	\$ 2,856,733
<u>SEWER DISTRICT FUND</u>					
Fund Equity - Beginning of Year	\$ 3,413,800	\$ 3,822,471	\$ 3,351,113	\$ 3,518,756	\$ 4,337,890
Prior Period Adjustments (net)	-	-	-	-	-
Residual Equity Transfers (net)	-	-	-	-	-
Revenues & Other Sources	4,634,182	4,135,187	4,473,572	5,454,561	5,287,594
Expenditures & Other Uses	4,225,512	4,606,544	4,305,928	4,635,427	4,459,518
Fund Equity - End of Year	\$ 3,822,468	\$ 3,351,113	\$ 3,518,756	\$ 4,337,890	\$ 5,165,967
<u>HIGHWAY FUND - TOWN WIDE</u>					
Fund Equity - Beginning of Year	\$ 1,357,712	\$ 1,343,704	\$ 1,030,713	\$ 1,055,060	\$ 1,140,785
Prior Period Adjustments	-	-	(11,945)	-	-
Residual Equity Transfers (net)	-	-	-	-	-
Revenues & Other Sources	6,209,019	5,935,438	5,780,759	6,066,519	6,214,823
Expenditures & Other Uses	6,223,027	6,248,429	5,744,468	5,980,794	5,696,719
Fund Equity - End of Year	\$ 1,343,704	\$ 1,030,713	\$ 1,055,060	\$ 1,140,785	\$ 1,658,889
<u>FIRE DISTRICT / MISCELLANEOUS</u>					
Fund Equity - Beginning of Year	\$ 1,662,344	\$ 1,745,786	\$ 5,635,032	\$ 6,533,669	\$ 5,444,325
Prior Period Adjustments (net)	-	3,234,948	-	-	1,267
Residual Equity Transfers (net)	-	-	-	-	-
Revenues & Other Sources	1,480,117	2,013,334	2,033,205	1,361,063	2,637,078
Expenditures & Other Uses	1,396,675	1,359,035	1,134,568	2,450,407	2,680,642
Fund Equity - End of Year	\$ 1,745,786	\$ 5,635,032	\$ 6,533,669	\$ 5,444,325	\$ 5,402,028
<u>SELF INSURANCE FUND</u>					
Fund Equity - Beginning of Year	\$ 3,127,308	\$ 2,911,584	\$ 2,676,627	\$ 2,383,739	\$ 2,324,867
Prior Period Adjustments (net)	-	1	-	-	-
Revenues & Other Sources	3,540,491	3,836,181	3,968,155	4,402,712	5,231,179
Expenditures & Other Uses	3,756,214	4,071,138	4,261,041	4,461,584	4,945,283
Fund Equity - End of Year	\$ 2,911,585	\$ 2,676,627	\$ 2,383,739	\$ 2,324,867	\$ 2,610,763

Source: Annual update documents (unaudited) of the Town. This Appendix itself is not audited.

APPENDIX - B
Town of Vestal

BONDED INDEBTEDNESS

Fiscal Year Ending December 31st	Principal	Interest	Total
2025	\$ 555,000	\$ 42,893.75	\$ 597,893.75
2026	445,000	26,331.25	471,331.25
2027	150,000	12,000.00	162,000.00
2028	90,000	6,993.75	96,993.75
2029	80,000	3,206.25	83,206.25
TOTALS	\$ 1,320,000	\$ 91,425.00	\$1,411,425.00

Note: The above table does not include any energy performance contract, capital lease or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2013			2019			2020		
	Refunding of 2006 Bonds			Various Purposes			Various Purposes		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 130,000	\$ 4,312.50	\$ 134,312.50	\$ 10,000	\$ 1,231.25	\$ 11,231.25	\$ 150,000	\$ 3,587.50	\$ 153,587.50
2026	120,000	1,425.00	121,425.00	10,000	981.25	10,981.25	40,000	1,425.00	41,425.00
2027	-	-	-	10,000	712.50	10,712.50	40,000	475.00	40,475.00
2028	-	-	-	10,000	431.25	10,431.25	-	-	-
2029	-	-	-	10,000	143.75	10,143.75	-	-	-
TOTALS	\$ 250,000	\$ 5,737.50	\$ 255,737.50	\$ 50,000	\$ 3,500.00	\$ 53,500.00	\$ 230,000	\$ 5,487.50	\$ 235,487.50

Fiscal Year Ending Dec 31st	2023		
	Principal	Interest	Total
2025	\$ 265,000	33,762.50	298,762.50
2026	275,000	22,500.00	297,500.00
2027	100,000	10,812.50	110,812.50
2028	80,000	6,562.50	86,562.50
2029	70,000	3,062.50	73,062.50
TOTALS	\$ 790,000	\$ 76,700.00	\$ 866,700.00

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 Bond and 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 aforementioned 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 at closing.

**TOWN OF VESTAL
BROOME COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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

TOWN OF VESTAL

Vestal, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2023**



TOWN OF VESTAL

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INDEPENDENT AUDITORS' REPORT

Town Board
Town of Vestal
Vestal, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Vestal (the Town), 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

INSERO & Co. CPAs, LLP

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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; Budgetary Comparison Schedules; Schedule of Town's Contributions - NYSLRS Pension Plans; Schedule of the Town's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the Town's Total Pension Liability - Length of Service Award Program; and Schedule of Changes in the Town's Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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's basic financial statements. The Non-Major fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Non-Major fund financial statements and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 24, 2024

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Our discussion and analysis of the Town's financial performance provides an overview of its financial activities for the fiscal year ended December 31, 2023. Where possible, results of the current year will be discussed in comparison with the prior year, with an emphasis placed on the current year. Please read it in conjunction with the Town's financial statements, which begin on page 5.

FINANCIAL HIGHLIGHTS

- ❖ The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2023 by \$16,294,437. Of this amount, \$44,254,393 represents an unrestricted deficit. This is primarily the result of recording the Town's other postemployment benefits liability (OPEB) and pension obligations.
- ❖ The Town's debt increased \$1,545,501 during 2023 ending the year with a balance of \$21,874,906 as compared to \$20,329,405 at December 31, 2022 due to increased Bond Anticipation Notes.
- ❖ The increase in the net OPEB and pension liability was primarily responsible for a decrease in net position of \$2,340,993.
- ❖ The General Fund recorded a decrease in fund balance of \$1,194,207 in 2023. Fund balance in the General Fund was \$7,402,872 and \$8,597,079 at December 31, 2023 and 2022, respectively.
- ❖ Revenues and other financing sources in the General Fund were \$1,945,186 greater than budgeted in 2023. Expenditures, other financing uses, and encumbrances were \$294,426 under budget in 2023. The final budget of the General Fund called for the use of \$4,654,761 in fund balance; due to variances noted, fund balance used was \$1,194,207.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5 through 7) provide information about the Town as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 8. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Town's operations in more detail than the Government-wide financial statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities of the Town's Proprietary Fund and activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

In addition to the basic financial statements, the annual report contains other information in the form of budgetary comparison schedules for the General Town-wide, Fire, Sewer, Water, and Highway Town-wide Funds; a Schedule of Town's Contributions - NYSLRS Pension Plans; a Schedule of the Town's Proportionate Share of the Net Pension (Asset)/Liability; a Schedule of Changes in the Town's Total Pension Liability - Length of Service Award Program; a Schedule of Changes in the Town's OPEB Liability and Related Ratios; and Combining Schedules for the Town's Non-Major Governmental Funds.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer the question of whether the Town as a whole is better or worse off as a result of the year's activities. These statements include *all* assets and deferred outflows of resources, and all liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. One can think of the Town's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, all of the Town's activities, which are governmental in nature, are reported in one column, including public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities.

Reporting the Town's Most Significant Funds

Fund Financial Statements

Analysis of the Town's Major Funds begins on page 8. The Fund financial statements provide detailed information about the most significant funds, not on the Town as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Governmental Funds: All of the Town's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds, and the balances left at year end that are available for spending. These funds are reported using *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

Proprietary Funds: Internal Service Funds (a component of Proprietary Funds) are used to report activities that provide supplies and services for the Town's other programs and activities such as the administration of health insurance.

The Town as Trustee: The Town is the trustee, or fiduciary, for other assets that are held on behalf of others. All of the Town's Fiduciary Activities are reported in separate statements that begin on page 15. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring the assets reported in this fund are used for their intended purposes.

THE TOWN AS A WHOLE

The Town's *combined* net position for the fiscal year ended December 31, 2023 decreased from \$18,635,430 to \$16,294,437. A portion of the Town's net position, \$50,416,988, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$10,131,842, represents resources that are subject to external restrictions on how they may be used and is reported as restricted net position. The remaining category of total net position is an unrestricted net deficit in the amount of \$44,254,393.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Town's Governmental Activities.

*Figure 1
Net Position*

Net Position	Governmental Activities		Dollar Change	Percent Change
	2023	2022		
<i>Current Assets</i>	\$ 31,086,607	\$ 30,882,359	\$ 204,248	0.7%
<i>Noncurrent Assets</i>	3,350,775	8,568,483	(5,217,708)	(60.9%)
<i>Capital Assets, Net</i>	69,066,561	62,723,935	6,342,626	10.1%
Total Assets	103,503,943	102,174,777	1,329,166	1.3%
Total Deferred Outflows of Resources	16,711,540	21,068,120	(4,356,580)	(20.7%)
<i>Current Liabilities</i>	26,150,490	24,858,251	1,292,239	5.2%
<i>Noncurrent Liabilities</i>	63,151,838	68,231,922	(5,080,084)	(7.4%)
Total Liabilities	89,302,328	93,090,173	(3,787,845)	(4.1%)
Total Deferred Inflows of Resources	14,618,718	11,517,294	3,101,424	26.9%
<i>Net Investment in Capital Assets</i>	50,416,988	47,470,090	2,946,898	6.2%
<i>Restricted</i>	10,131,842	10,360,864	(229,022)	(2.2%)
<i>Unrestricted</i>	(44,254,393)	(39,195,524)	(5,058,869)	(12.9%)
Total Net Position	\$ 16,294,437	\$ 18,635,430	\$ (2,340,993)	(12.6%)

Significant changes from the prior year are as follows:

- Total noncurrent assets decreased due to decreases in cash and investments primarily due to transfers out of reserve funds in the current year, along with a decrease in the Town's net pension asset which returned to a liability.
- Capital assets increased due to capital outlay exceeding current year depreciation expense and net book value of disposals. This increase is also reflected in net investment in capital assets along with debt proceeds and principal payments.
- The changes in deferred outflows of resources, deferred inflows of resources, and noncurrent liabilities are related to changes in the actuarially determined proportionate share of the Pension System's Plan and by the actuarial valuation of the Town's OPEB and Fire Protection Fund's Length of Service Award Program (LOSAP) plans.
- Current liabilities increased primarily due to increases in BANs payable.
- Total restricted net position decreased based on Board approved use of reserve funds. Unrestricted deficit increased primarily due to the increased net OPEB liability.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Figure 2 demonstrates the results of the Town's activities.

**Figure 2
Changes in Net Position**

Changes in Net Position	Governmental Activities and Total Government		Dollar Change	Percent Change
	2023	2022		
REVENUES				
<i>Program Revenues:</i>				
<i>Charges for Services</i>	\$ 8,794,976	\$ 9,039,517	\$ (244,541)	(2.7%)
<i>Operating Grants</i>	1,072,223	223,668	848,555	379.4%
<i>Capital Grants</i>	466,693	1,708,214	(1,241,521)	(72.7%)
<i>General Revenues:</i>				
<i>Property Taxes and Tax Items</i>	12,171,139	11,840,372	330,767	2.8%
<i>Nonproperty Taxes</i>	10,464,961	9,960,599	504,362	5.1%
<i>State Sources</i>	571,230	1,205,617	(634,387)	(52.6%)
<i>Use of Money and Property</i>	1,675,383	(360,532)	2,035,915	564.7%
<i>Other General Revenues</i>	865,441	1,241,871	(376,430)	(30.3%)
Total Revenues	\$ 36,082,046	\$ 34,859,326	\$ 1,222,720	3.5%
PROGRAM EXPENSES				
<i>General Government</i>	\$ 5,589,893	\$ 4,787,847	\$ 802,046	16.8%
<i>Public Safety</i>	9,910,264	11,989,300	(2,079,036)	(17.3%)
<i>Public Health</i>	2,390	2,523	(133)	(5.3%)
<i>Transportation</i>	7,475,131	7,522,153	(47,022)	(0.6%)
<i>Economic Assistance</i>	18,457	9,501	8,956	94.3%
<i>Culture and Recreation</i>	2,088,005	2,085,121	2,884	0.1%
<i>Home and Community Services</i>	12,551,895	12,191,120	360,775	3.0%
<i>Interest on Long-Term Debt</i>	787,004	422,759	364,245	86.2%
Total Expenses	\$ 38,423,039	\$ 39,010,324	\$ (587,285)	(1.5%)
CHANGE IN NET POSITION	\$ (2,340,993)	\$ (4,150,998)	\$ 1,810,005	43.6%

Significant changes from the prior year are as follows:

- Charges for services decreased due to lower water service charges.
- Operating grants increased based on use of ARPA funding on ongoing projects.
- Capital grants decreased because there were fewer reimbursable project expenses in the current year.
- Property tax and nonproperty tax revenues increased based on increased tax levy and sales tax allocations in the current year.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

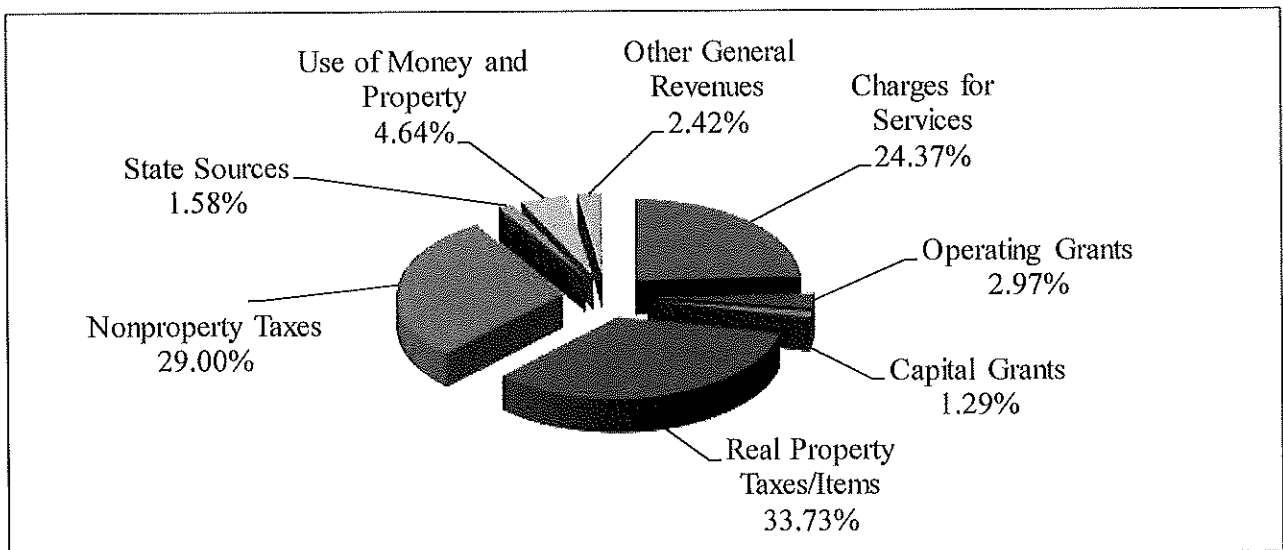
- State sources decreased due to lower mortgage tax revenue in the current year.
- Use of money and property increased based on investment activity along with more NYCLASS allocations in the current year.
- Total expenses decreased primarily due to recognition of changes to net OPEB, LOSAP, and pension liabilities in the current year.
- Interest expense increased due to increased BAN interest payments.

Governmental Activities

The cost of all Governmental Activities was \$38,423,039 in 2023. As shown in the Statement of Activities, the amount financed for these activities through property taxes and other general revenues was \$28,089,147 in 2023, as some of the cost was paid by those who directly benefited from the programs, \$8,794,976, or by other governments and organizations that subsidized certain programs with grants and contributions, \$1,538,916.

Figure 3 shows the sources of revenue for 2023 and 2022.

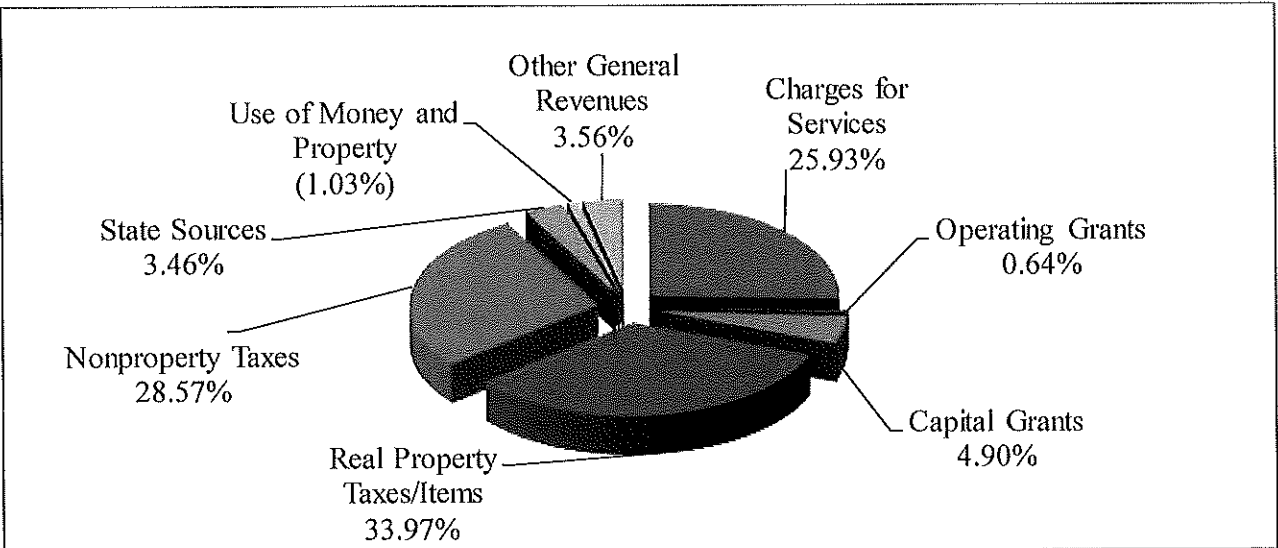
Figure 3
Revenue by Source - 2023



TOWN OF VESTAL

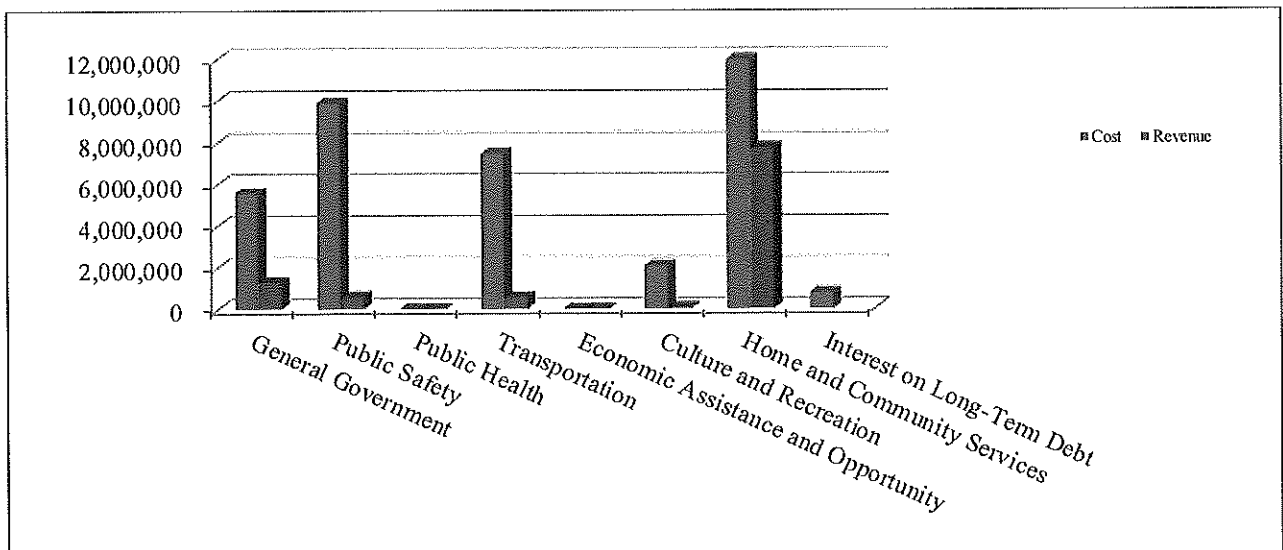
MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

*Figure 4
Revenue by Source - 2022*



The total cost and revenue comparison of the Governmental Activities for each of the Town's largest programs follows. The difference between the cost and revenue shows the financial contribution made by the Town's taxpayers for each of these activities.

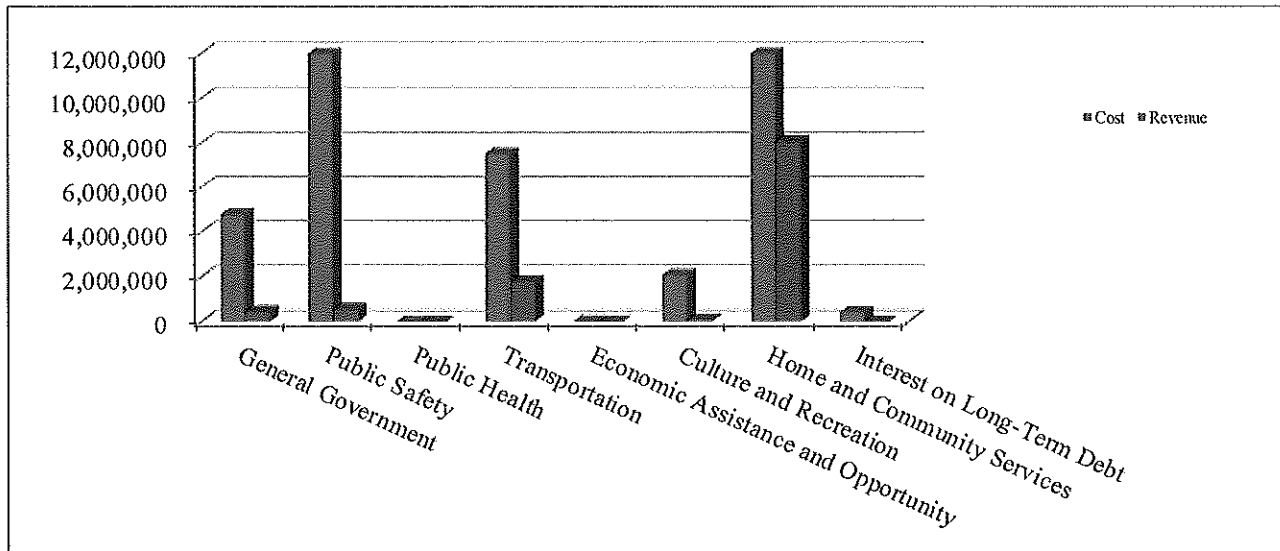
*Figure 5
Program Cost and Revenue Comparison
Governmental Activities - 2023*



TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Figure 6
Program Cost and Revenue Comparison
Governmental Activities - 2022



THE TOWN'S FUNDS

As the Town completed the year, its Governmental Funds, as presented in the Balance Sheet on page 8, reported a combined fund balance of \$6,964,683, which is 40.62% below last year's total of \$11,730,334 primarily due to significant fund balance decreases in the General and Capital Projects Fund.

The Capital Projects Fund changed based on additional short-term debt. The General Fund decreased primarily due to transfers to other funds.

Figure 7 shows the changes in fund balances during the year for the Town's Governmental Funds.

Figure 7
Governmental Funds
Fund Balances for the Years Ended December 31,

Governmental Funds	2023	2022	Dollar Change
General Fund - Town-Wide	\$ 7,402,872	\$ 8,597,079	\$ (1,194,207)
Fire District	5,402,028	5,444,326	(42,298)
Sewer Fund	5,165,968	4,337,893	828,075
Highway Fund	1,658,888	1,140,785	518,103
Capital Projects Fund	(15,690,411)	(11,661,978)	(4,028,433)
Non-Major Funds	3,025,338	3,872,229	(846,891)
Totals	\$ 6,964,683	\$ 11,730,334	\$ (4,765,651)

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

General Town-Wide Fund Budgetary Highlights

Over the course of the year, the Town Board and management of the Town revised the budget several times. These budget amendments consisted of transfers between functions and resulted in an overall increase of \$5,241,822 from the original adopted budget.

Resources available for appropriation (revenues and other financing sources) were \$2,164,896 above the final budgeted amount. The actual charges to appropriations (expenditures, encumbrances and other financing uses) were above the final budget amounts by \$133,813.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2023, the Town had invested \$159,936,390, net of accumulated depreciation of \$90,869,829, in a broad range of capital assets, including buildings, machinery and equipment, roads, bridges, and intangible assets. This amount represents a net increase of \$6,342,626, including additions of \$11,949,832, net book value of disposals of \$576,715 and depreciation/amortization expense of \$5,030,491.

*Figure 8
Capital Assets*

<i>Capital Assets</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Land</i>	\$ 10,087,573	\$ 10,052,262	\$ 35,311
<i>Construction in Progress</i>	5,836,711	904,952	4,931,759
<i>Buildings</i>	9,532,604	9,585,033	(52,429)
<i>Improvements</i>	1,447,334	1,505,191	(57,857)
<i>Equipment</i>	9,757,032	8,188,423	1,568,609
<i>Infrastructure</i>	32,237,992	32,483,821	(245,829)
<i>Intangible Assets</i>	167,315	4,253	163,062
<i>Totals</i>	\$ 69,066,561	\$ 62,723,935	\$ 6,342,626

Debt Administration

Debt, considered liabilities of Governmental Activities, is shown in *Figure 9*. Exclusive of the indebtedness of the Vestal Fire District, \$18,184,981 of the total indebtedness of the Town was subject to the constitutional debt limit and represented approximately 13.35% of the Town's statutory debt limit.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (S&P), has assigned its underlying rating of AA- with a stable outlook to the Town's outstanding bonds.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

*Figure 9
Major Outstanding Debt for the Years Ended December 31,*

<i>Major Outstanding Debt</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Bond Anticipation Notes</i>	\$ 19,440,211	\$ 18,454,438	\$ 985,773
<i>Serial Bonds</i>	2,288,827	1,865,000	423,827
<i>Lease and Installment Purchases</i>	145,868	9,967	135,901
<i>Totals</i>	\$ 21,874,906	\$ 20,329,405	\$ 1,545,501

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following is a summary of currently known facts, decisions, or conditions that are expected to have a significant effect on the Town's financial position.

Local Economy

Binghamton University (the "University") and the area medical facilities continue to drive growth within the Town of Vestal. The Town is also home to most area shopping and dining options from national brands. The Town's population grew from 28,043 in the 2010 census to 30,989 in the 2022 census.

Maurice's has recently opened in Vestal.

A Boot Barn retail shoe store has recently opened in the Parkway Plaza, and a Ross Clothing store is planned for an additional retail space within this plaza.

Approvals required to advance a \$40 million multi-unit housing complex consisting of 64 cottage-style two- and three-story buildings and 161 units are complete. Construction is expected to begin in mid-2024. No building permits have been issued at this time.

A new restaurant and boutique hotel called The Trailside Inn project located in the former Drivers Inn, a National Register Historic Building, has come to a stop prior to completion.

The local Texas Roadhouse restaurant has been issued a building permit for an outdoor covered patio addition to the existing building. Estimated construction costs are noted as \$125,000. The project has currently been placed on hold.

The local Lowe's Home Center has had plans approved by the Town Planning Board to construct a tool rental addition to the existing building. Estimated construction costs are noted as \$1,000,000. The project has currently been placed on hold.

A new \$11.5 million housing project is underway in the Town and when complete, expects to include a building with 24 units for senior housing and a townhouse-style building with six apartments for individuals and families. This project is scheduled for completion mid-2024.

TOWN OF VESTAL

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

It is currently proposed for building replacement for the QuikFill on N. Main St. in the Town. The project cost is not available at this time.

Jo-Ann Fabrics has moved from 732 Vestal Pkwy E to a larger vacant retail space at the plaza at 3120 Vestal Pkwy E..

The commercial sector in Vestal remains generally stable. Rising interest rates, increases in the cost of supplies and interruptions in distribution have slowed the initiation, completion and advancement of both residential and commercial construction projects.

During the last four years the residential sector of the real estate market has trended upward as it had over a number of years and to maintain 100% Equalization Town of Vestal residential assessments were increase accordingly. The residential assessed valuation of the Town increased by 10% in 2024.

This year there continues to be a severe undersupply of available housing stock, both locally and nationally. This situation is causing the upward trend in residential real estate selling prices to continue. Interest rates rising have not slowed down the local real estate market selling prices. The undersupply of housing stock will not be cured and the selling prices will likely remain higher.

We have issued \$4,291,000 in bond anticipation notes in 2024 for road reconstruction projects, dump trucks, a water main project and various equipment items. The Water pipeline project debt issued of \$1,300,000 will be 75% reimbursed by a grant

We have issued \$1,500,000 in bond anticipation notes for the construction of two new Vestal Fire District Pumper trucks.

The Vestal Rail Trail will be expanding for a phase three between African Road and Sycamore Road.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact Town of Vestal, 605 Vestal Parkway West, Vestal, New York 13850.

TOWN OF VESTAL

STATEMENT OF NET POSITION DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	\$ 12,489,753
Investments - Unrestricted	5,235,608
Investments - Restricted	6,788,392
Due From State and Federal Governments	570,075
Due From Other Governments	2,787,483
Other Receivables	2,643,159
Leases Receivable	4,288
Prepaid Expenses	567,849
Total Current Assets	31,086,607
Noncurrent Assets	
Cash and Cash Equivalents - Restricted	3,343,451
Leases Receivable, Net of Current	7,324
Capital Assets, Non-Depreciable	15,924,284
Capital Assets, Net of Accumulated Depreciation	53,142,277
Total Noncurrent Assets	72,417,336
Total Assets	103,503,943
DEFERRED OUTFLOWS OF RESOURCES	
Other Postemployment Benefits	8,639,829
Pensions	8,071,711
Total Deferred Outflows of Resources	16,711,540

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF NET POSITION (CONTINUED) DECEMBER 31, 2023

LIABILITIES

Current Liabilities

Accounts Payable	\$ 2,342,007
Accrued Liabilities	1,028,691
Due to Other Governments	23,273
Interest Payable	424,514
Unearned Revenues	2,164,278
Bond Anticipation Notes Payable	19,440,211

Current Portion of Long-Term Liabilities

Leases, SBITAs, and Installment Purchases	58,689
Bonds Payable	668,827
Total Current Liabilities	26,150,490

Noncurrent Liabilities and Obligations

Bonds Payable	1,620,000
Leases, SBITAs, and Installment Purchases	87,179
Other Postemployment Benefits Liability	48,845,034
Net Pension Liabilities - Proportionate Share	12,599,625
Total Long-Term Liabilities	63,151,838

Total Liabilities	89,302,328
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DEFERRED INFLOWS OF RESOURCES

Leases	11,034
Other Postemployment Benefits	12,008,184
Pensions	2,599,500

Total Deferred Inflows of Resources	14,618,718
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NET POSITION

Net Investment in Capital Assets	50,416,988
Restricted	10,131,842
Unrestricted	(44,254,393)
Total Net Position	\$ 16,294,437

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net (Expense) Revenue and Change in Net Position
			Operating	Capital	Total
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental Activities					
General Governmental Support	\$ 5,589,893	\$ 277,590	\$1,029,253	\$ -	\$ (4,283,050)
Public Safety	9,910,264	568,518	39,220	-	(9,302,526)
Public Health	2,390	-	-	-	(2,390)
Transportation	7,475,131	298,311	-	284,223	(6,892,597)
Economic Assistance and Opportunity	18,457	-	-	-	(18,457)
Culture and Recreation	2,088,005	76,693	3,750	-	(2,007,562)
Home and Community Services	12,551,895	7,573,864	-	182,470	(4,795,561)
Interest on Debt	787,004	-	-	-	(787,004)
Total Governmental Activities	\$ 38,423,039	\$ 8,794,976	\$1,072,223	\$ 466,693	(28,089,147)
GENERAL REVENUES					
					11,227,648
					943,491
					10,464,961
					571,230
					1,675,383
					65,408
					774,533
					25,500
Total General Revenues					25,748,154
					(2,340,993)
Net Position - Beginning of Year					18,635,430
Net Position - End of Year					\$ 16,294,437

See Notes to Financial Statements

TOWN OF VESTAL

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Major Funds						Total Governmental Funds
	Special Revenue Funds					Non-Major Funds	
	Special District Funds			Highway Town-Wide Fund	Capital Projects Fund		
	General Town-Wide Fund	Fire Fund	Sewer Fund				
ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 6,051,666	\$ 507,519	\$ 167,343	\$ 437,659	\$ 3,227,175	\$ 940,903	\$ 11,332,265
Investments - Unrestricted	384,102	520,657	1,214,192	570,699	-	806,793	3,496,443
Receivables:							
Due From Other Funds	145,493	-	-	-	1,200,934	-	1,346,427
Due From State and Federal Governments	10,986	-	-	44,789	514,300	-	570,075
Due From Other Governments	2,106,066	-	-	671,250	10,167	-	2,787,483
Prepaid Expenses	391,091	13,519		47,575	-	26,713	478,898
Other Receivables	268,304	4	1,605,257	6,251	-	746,522	2,626,338
Lease Receivables	11,612	-	-	-	-	-	11,612
Cash and Cash Equivalents - Restricted	-	574,380	2,249,691	35,399	-	483,981	3,343,451
Investments - Restricted	2,245,409	3,840,384	285,548	-	-	417,051	6,788,392
Total Assets	\$ 11,614,729	\$ 5,456,463	\$ 5,522,031	\$ 1,813,622	\$ 4,952,576	\$ 3,421,963	\$ 32,781,384

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities							
Payables:							
Accounts Payable	\$ 446,348	\$ 22,208	\$ 29,817	\$ 29,267	\$ 1,202,776	\$ 72,371	\$ 1,802,787
Accrued Liabilities	794,441	7,502	-	88,637	-	138,111	1,028,691
Due to Other Funds	1,200,989	24,725	4,765	32,896	-	83,052	1,346,427
Due to Other Governments	18,041	-	-	3,934	-	1,298	23,273
Bond Anticipation Notes Payable	-	-	-	-	19,440,211	-	19,440,211
Unearned Revenues	1,741,004	-	321,481	-	-	101,793	2,164,278
Total Liabilities	4,200,823	54,435	356,063	154,734	20,642,987	396,625	25,805,667
Deferred Inflows of Resources							
Leases	11,034	-	-	-	-	-	11,034
Fund Balances							
Nonspendable	391,091	13,519	-	47,575	-	26,713	478,898
Restricted	2,245,409	4,414,764	2,535,239	35,399	-	901,032	10,131,843
Assigned	1,816,888	973,745	2,630,729	1,575,914	-	2,097,593	9,094,869
Unassigned (Deficit)	2,949,484	-	-	-	(15,690,411)	-	(12,740,927)
Total Fund Balances (Deficit)	7,402,872	5,402,028	5,165,968	1,658,888	(15,690,411)	3,025,338	6,964,683
Total Liabilities and Fund Balances	\$ 11,614,729	\$ 5,456,463	\$ 5,522,031	\$ 1,813,622	\$ 4,952,576	\$ 3,421,963	\$ 32,781,384

See Notes to Financial Statements

TOWN OF VESTAL

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

Total Governmental Fund Balances **\$ 6,964,683**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets and Right of Use Assets of the Governmental Funds, net of accumulated depreciation/amortization, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. 69,066,561

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Other Postemployment Benefits Liability	\$ (48,845,034)	
Net Pension (Assets)/Liabilities	(12,599,625)	
Bonds Payable	(2,288,827)	
Interest Payable	(424,514)	
Leases and Installment Purchases	<u>(145,868)</u>	(64,303,868)

Deferred outflows of resources and deferred inflows of resources do not affect current period revenues or expenditures and, therefore, are not reported in the Governmental Funds.

Deferred Outflows of Resources - OPEB	\$ 8,639,829	
Deferred Outflows of Resources - Pensions	8,071,711	
Deferred Inflows of Resources - OPEB	(12,008,184)	
Deferred Inflows of Resources - Pensions	<u>(2,599,500)</u>	2,103,856

The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position. 2,463,205

Net Position of Governmental Activities **\$ 16,294,437**

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds						Non-Major Funds	Total Governmental Funds
	Special Revenue Funds							
	General Town-Wide Fund	Special District Funds		Highway Town-Wide Fund	Capital Projects Fund			
		Fire Fund	Sewer Fund					
REVENUES	\$ 5,957,557	\$ 1,949,939	\$ -	\$ 2,837,529	\$ -	\$ 482,623	\$ 11,227,648	
Real Property Taxes	234,157	-	512,947	97,416	-	98,971	943,491	
Real Property Tax Items	7,779,961	-	-	2,685,000	-	-	10,464,961	
Nonproperty Tax Items	382,757	-	4,626,211	-	-	2,591,507	7,600,475	
Departmental Income	25,500	5,825	-	19,000	181,000	-	231,325	
Intergovernmental Charges	539,440	614,439	-	121,112	29,593	117,394	1,565,661	
Use of Money and Property	-	-	-	-	-	-	185,645	
Licenses and Permits	124,222	-	-	-	-	-	124,222	
Fines and Forfeitures	102,120	1,499	-	36,856	-	14,366	154,841	
Sale of Property and Compensation for Loss	220,164	66,643	5,201	36,660	-	88,212	416,880	
Miscellaneous Local Sources	238,760	-	-	98,311	-	341,738	678,809	
Interfund Revenues	600,383	-	-	282,939	-	-	883,322	
State Sources	1,043,070	-	-	-	-	-	1,226,824	
Federal Sources	17,433,736	2,638,345	5,288,042	6,214,823	394,347	3,734,811	35,704,104	
Total Revenues								
EXPENDITURES	2,999,358	-	-	-	-	-	2,999,358	
General Governmental Support	5,217,442	1,535,610	-	-	-	-	6,753,052	
Public Safety	1,572	-	-	-	-	-	1,572	
Health	436,115	-	-	3,420,891	-	181,830	4,038,836	
Transportation	18,457	-	-	-	-	-	18,457	
Economic Assistance and Opportunity	1,214,457	-	-	-	-	-	1,214,457	
Culture and Recreation	14,879	-	-	-	-	-	14,879	
Home and Community Services	2,125,495	278,114	-	427,242	-	326,471	3,157,322	
Employee Benefits								
Debt Service:								
Principal	471,626	342,771	42,983	923,834	-	392,983	2,174,197	
Interest	100,404	343,914	17,620	150,979	-	141,200	756,117	
Capital Outlay	-	-	-	-	10,494,829	-	10,494,829	
Total Expenditures	12,599,805	2,502,409	4,459,967	4,922,946	10,494,829	4,060,999	39,040,955	
Excess of Revenues (Expenditures)	4,833,931	135,936	828,075	1,291,877	(10,100,482)	(326,188)	(3,336,851)	
OTHER FINANCING SOURCES (USES)								
Interfund Transfers In	170,000	-	-	-	3,727,822	261,975	4,159,797	
Interfund Transfers (Out)	(6,417,848)	(178,234)	-	(773,774)	(170,000)	(782,678)	(8,322,534)	
Proceeds of Obligations	219,710	-	-	-	1,043,827	-	1,263,537	
BANs Redeemed From Appropriations	-	-	-	-	1,470,400	-	1,470,400	
Total Other Financing Sources (Uses)	(6,028,138)	(178,234)	-	(773,774)	6,072,049	(520,703)	(1,428,800)	
Net Changes in Fund Balances	(1,194,207)	(42,298)	828,075	518,103	(4,028,433)	(846,891)	(4,765,651)	
Fund Balances (Deficit), Beginning of Year	8,597,079	5,444,326	4,337,893	1,140,785	(11,661,978)	3,872,229	11,730,334	
Fund Balances (Deficit), End of Year	\$ 7,402,872	\$ 5,402,028	\$ 5,165,968	\$ 1,658,888	\$ (15,690,411)	\$ 3,025,338	\$ 6,964,683	

See Notes to Financial Statements

TOWN OF VESTAL

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

Net Change in Fund Balances - Total Governmental Funds **\$ (4,765,651)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in 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 outlay exceeded depreciation/amortization expense and the book value of disposed assets in the current period.

Capital Outlay	\$ 11,949,832	
Depreciation Expense	(4,973,830)	
Amortization Expense	(56,661)	
Net Book Value of Disposed Assets	<u>(576,715)</u>	6,342,626

Changes in the Town's proportionate share of net pension (assets)/liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the Town's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

ERS	\$ (687,072)	
PFRS	(619,908)	
LOSAP	<u>10,846</u>	(1,296,134)

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds of Obligations	\$ (1,043,827)	
Leases and Installment Purchase Payments	83,809	
Proceeds of Leases/Obligations	(219,710)	
Change in Interest Payable	(144,673)	
Serial Bond Principal Payments	<u>620,000</u>	(704,401)

Revenues and expenses of Internal Service Funds are included in the Statement of Activities. 138,336

Long-term obligations, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements.

Change in Other Postemployment Benefits Liability	<u>(2,055,769)</u>
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Change in Net Position of Governmental Activities **\$ (2,340,993)**

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF PROPRIETARY NET POSITION DECEMBER 31, 2023

	Internal Service Fund
ASSETS	
Cash and Cash Equivalents - Unrestricted	<u>\$ 1,157,488</u>
Investments - Unrestricted	<u>1,739,165</u>
Prepaid Expenses	<u>88,951</u>
Other Receivables	<u>16,821</u>
Total Assets	<u>3,002,425</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	<u>539,220</u>
Total Liabilities	<u>539,220</u>
Net Position	
Unrestricted	<u>2,463,205</u>
Total Net Position	<u><u>\$ 2,463,205</u></u>

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF PROPRIETARY ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Internal Service Fund
OPERATING REVENUES	
Interfund Transfers In	<u>\$ 4,162,737</u>
Sale of Property and Compensation for Loss	<u>487,282</u>
Miscellaneous Local Sources	<u>471,439</u>
Total Revenues	<u>5,121,458</u>
OPERATING EXPENSES	
Current	
General Governmental Support	<u>822,249</u>
Employee Benefits	<u>4,270,595</u>
Total Expenses	<u>5,092,844</u>
Excess of Operating Revenues	<u>28,614</u>
NON-OPERATING REVENUES	
Use of Money and Property	<u>109,722</u>
Total Non-Operating Revenues	<u>109,722</u>
Net Change in Net Position	<u>138,336</u>
Net Position, Beginning of Year	<u>2,324,869</u>
Net Position, End of Year	<u><u>\$ 2,463,205</u></u>

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF PROPRIETARY CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Internal Service Fund
Cash Flows From Operating Activities	
Cash Received From Other Funds	\$ 4,162,737
Miscellaneous Local Sources	460,904
Sale of Property and Compensation for Loss	487,282
Cash Payments - Contractual	(822,249)
Cash Payments - Hospital and Medical	(4,104,122)
Net Cash Provided (Used) by Operating Activities	184,552
Cash Flows From Non-Capital Financing Activities	-
Cash Flows From Capital and Related Financing Activities	-
Cash Flows From Investing Activities	
Purchases of Investments	(1,739,165)
Interest Income Received	109,722
Net Cash Provided (Used) by Investing Activities	(1,629,443)
Net Change in Cash Equivalents	(1,444,891)
Cash and Cash Equivalents, Beginning of Year	2,602,379
Cash and Cash Equivalents, End of Year	\$ 1,157,488
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities	
Gain (Loss) from Operations	\$ 28,614
(Increase) Decrease in Accounts Receivable	(10,535)
(Increase) Decrease in Prepaid Expenses	58,609
Increase (Decrease) in Accounts Payable	107,864
Net Cash Provided (Used) by Operating Activities	\$ 184,552

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2023

	Custodial Fund
ASSETS	
Cash	
Unrestricted	<u>\$ 11,593</u>
Total Assets	<u>\$ 11,593</u>
NET POSITION	
Restricted for Other Purposes	<u>\$ 11,593</u>
Total Net Position	<u>\$ 11,593</u>

See Notes to Financial Statements

TOWN OF VESTAL

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial Fund
Additions	
Other Income	<u>\$ 20,151</u>
Reductions	
Judgments and Claims	<u>18,901</u>
Net Change in Custodial Fund	1,250
Custodial Fund Balance, Beginning of Year	<u>10,343</u>
Custodial Fund Balance, End of Year	<u>\$ 11,593</u>

See Notes to Financial Statements

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies**

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

Financial Reporting Entity

The Town, which was founded in 1823, is governed by Town Law, other general municipal laws of New York State, and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and as chief fiscal officer.

The following basic services are provided: public safety, health, transportation (streets and highways), economic assistance and opportunity, culture and recreation, home and community services, planning and zoning, general administration, water, and sewer.

All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the Town;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town's reporting entity.

Fire District

Fire protection is provided by the Vestal Fire District (the Fire District). The Fire District is governed by the Board of Fire Commissioners, whose membership is the Town Board, ex officio. The Fire District is included in the reporting entity as a separate Governmental Fund.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Emergency Squad

Effective December 1, 1996, the Town entered into a contract with VVES, Inc., a nonprofit corporation, to provide general ambulance service within Town boundaries. VVES, Inc. is not included in the Town reporting entity. The Town has no authority to appoint the governing authority or management of VVES, Inc. In addition, the Town has no responsibility for deficits, no entitlement to surpluses, and does not guarantee debt of VVES, Inc. VVES, Inc. has substantial financial independence, with the following exceptions. Fees imposed and collected by VVES, Inc. were established by the Town pursuant to the authority contained in §122-b(2) of General Municipal Law (GML) and are included in the contractual agreement. Under the provisions of the contract, title to certain Town assets was transferred to VVES, Inc. and VVES, Inc. was contractually obligated to pay for these assets by reimbursing the Town for debt service payments remaining on the assets. In addition, the Town is obligated to provide a building for use by the emergency squad's operations.

The Town worked with the Governor's Office of Storm Recovery on a project to build a new building for emergency squad's operations out of the flood plain. The building is complete and occupied. A cost sharing agreement is currently under negotiation with VVES Inc. whereby the emergency squad will pay the debt service and borrowing costs for the building.

Basic Financial Statements

The Town's basic financial statements include both Government-wide (reporting the Town as a whole) and Governmental Fund financial statements (reporting the Town's funds). The Government-wide and Governmental Fund financial statements categorize primary activities as governmental. The Town's general governmental support, public safety, public health transportation, economic assistance, culture and recreation, and home and community services are classified as Governmental Activities.

Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government (Governmental and Business-type). Government-wide financial statements do not include the activities reported in the Fiduciary Funds. The focus of the Government-wide financial statements addresses the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Government-Wide Financial Statements - Continued

The Statement of Activities reports both the gross and net cost for each of the Town's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues (charges paid by the recipients of the goods or services offered by the programs, grants, and contributions) that are restricted to meeting the program or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Town.

The Town does not allocate indirect costs. Indirect costs are reported in the function entitled "general governmental support."

Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The Town records its transactions in the funds described below.

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following funds are the Town's Governmental Funds.

Major Funds

- **General Town-Wide Fund** - Principal operating fund; includes all operations not required to be recorded in other funds.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Governmental Funds - Continued

Major Funds - Continued

- **Special Revenue Funds** - Used to account for the proceeds of specific revenue sources legally restricted to expenditure for specified purposes.

The following Special Revenue Funds are utilized:

- **Special District Funds** - Established by the Town to account for activities in the following areas: Fire and Sewer.
- **Highway Town-Wide Fund** - Established pursuant to Highway Law §141 to account for revenues and expenditures for highway purposes.
- **Capital Projects Fund** - Used to account for and report financial resources to be used for the acquisition, construction, or renovation of major capital facilities, or equipment.

Non-Major Funds

- **Special Revenue Funds** - Used to account for the proceeds of specific revenue sources legally restricted to expenditure for specified purposes.

The following Special Revenue Funds are utilized:

- **Special District Funds** - Established by the Town to account for activities in the following areas: Drainage, Water, and Lighting.
- **Special Grant Fund** - Accounts for proceeds of a specific revenue source, expenditures for which are legally restricted for purposes specified in the grant agreements.
- **Other Special Revenue** - Accounts for other special revenue funds.
- **Debt Service Fund** - Used to account for current payments of principal and interest on general obligation long-term debt (and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness).

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations or activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following Proprietary Fund is utilized:

- **Internal Service Fund**

The Internal Service Fund is used to account for the accumulation of resources for payment of health insurance as authorized by GML.

Fiduciary Fund Types

Fiduciary Fund Types are used to account for assets held by the local government in a trustee or custodial capacity. The following funds are the Town's Fiduciary Funds.

- **Custodial Fund**

The Agency Fund is used to account for money and/or property received and held in the capacity of trustee, custodian, or agent.

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured; for example, expenditures or expenses.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town recognizes receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except:

- Expenditures for certain minor prepaid expenses and inventory-type items are recognized at the time of the purchase.
- Principal and interest on indebtedness are not recognized as an expenditure until due.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Accounting/Measurement Focus - Continued

Modified Accrual Basis - Continued

- Compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as departmental expenditures when paid. At year end, the vested and unpaid balance is accrued.
- General fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received on the Statement of Net Position. No budgetary provision for depreciation is made. No liability is recorded for interest payable to maturity.

Accrual Basis

The Governmental Activities, Proprietary, and Fiduciary Fund financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Position, Statement of Proprietary Net Position, and Statement of Fiduciary Net Assets. The Statement of Activities, Statement of Proprietary Activities, and Statement of Changes in Fiduciary Net Assets presents changes in net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Property Taxes

Town real property taxes are levied annually on January 1 and become a lien on that date. Taxes are collected during the period January 1 to March 31. The Town Receiver of taxes collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town Supervisor prior to distributing the balance collected to the County on March 31. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Annually the County bills the Town for current and prior year adjustments to tax bills resulting from small claims decisions or court orders. The Town pays this bill before December 31 and with the exception of court ordered settlements, nets these adjustments against the current year levy in reporting real property tax revenue.

In June 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town in a particular year, beginning with the 2012-2013 fiscal year. The growth in annual levy is limited to the lesser of 2% or annual change in the national unadjusted Consumer Price Index for All Urban Consumers - All Items (CPI-U), subject to certain limited exceptions and adjustments.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Internal Service Fund Revenues

The Town's internal service fund records revenue as either operating or nonoperating revenue. Generally, revenue from investments of the Town are considered nonoperating revenue. Other revenues are considering operating.

Cash and Cash Equivalents

For financial statement purposes, the Town considers all highly liquid investments with original maturities of three months or less as cash equivalents.

Investments

Investments in the General and Water Funds consist of U.S. Treasury securities and are stated at fair value. Investments in the Fire District Fund are primarily exchange-traded securities, accumulated for the Length of Service Award Program; see Note 14 for details.

Vacation, Sick Leave, and Compensatory Absences

Full-time employees earn from 10 to 25 days of vacation leave per year depending on length of employment. Generally, vacation leave must be used by year end or forfeited, except that up to ten days may be carried over to the next year. In the event of termination or upon retirement, an employee is entitled to payment of accumulated vacation at various rates subject to certain maximum limitations. Part-time employees of the Town do not earn vacation leave benefits.

Employees may also accumulate compensatory time in lieu of overtime pay. Police department personnel can carry up to 100 hours of compensatory time to the next year.

For employees represented by the Operating Engineers and the Vestal Police Supervisors unions and full-time non-union employees, the Town provided a balance of sick time hours that accrued effective January 1, 2016. Employees represented by the CSEA union were provided a balance of sick time hours on June 1, 2018. One additional day of sick time accrues monthly if the employee is on the payroll at least half the month. Employees represented by the Police Benevolent Association similarly received a balance of sick time hours on January 1, 2021. Upon retirement, full-time non-union hired before January 1, 2020, PBA and VPSA employees may cash out the balance of sick leave in excess of 192 hours up to a maximum of 140 hours. Effective May 9, 2018, the Town adopted a resolution to provide additional benefits pursuant to §41-j of the Retirement and Social Security Law. This allows members to receive additional service credit for their unused, unpaid sick leave at the time of retirement.

Effective January 1, 2022, upon retirement, police officers are eligible to cash out up to 1,200 hours of accumulated sick leave at two-thirds (2/3) their rate of pay in effect at time. The Town is exploring setting up a reserve fund to set aside moneys for the payment of these accrued benefits.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Vacation, Sick Leave, and Compensatory Absences - Continued

The Town does maintain an insured disability program, in which eligible employees receive insurance benefits on the 30th day of disability. The Town continues to pay the employee's full compensation during the waiting period provided the employee has sick leave or other accrued paid time off to charge. Insurance benefits amount to two-thirds of pay with a weekly maximum. The weekly maximum is \$700 for members of CSEA and the International Union of Operating Engineers Local Union 106. The weekly maximum is \$800 for members of the Police Benevolent Association and \$1,000 for the Police Supervisors Association and non-union management. This insurance pays benefits for a one-year period only.

Personal leave is granted in accordance with collective bargaining agreements or the Employee Handbook and is generally limited to six days per year with no accumulated balance.

Vested vacation, sick, and compensatory time is recorded as a liability and expenditure in the Governmental Funds. The current liability for compensated absences increased by \$64,560 during the year. This liability is reported in the various governmental funds as of December 31, 2023 totaling \$605,512. This amount is reported within accrued liabilities.

Capital Assets

Capital assets purchased for general governmental purposes are recorded as expenditures in Governmental Funds and are capitalized at cost in the Statement of Net Position. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market value upon acquisition.

Major outlays for capital and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset's lives are not capitalized.

Assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage and lighting systems, are capitalized and presented in these financial statements.

The asset values, net of accumulated depreciation, appear in the Statement of Net Position within this report. Depreciation has been provided using the straight-line method over the estimated useful life of the asset. Interest on general fixed assets work in progress has not been capitalized.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Leases

The Town determines if an arrangement is or contains a lease at inception. The Town records assets and lease obligations for leases, in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The Town uses the rate implicit in the lease agreements. In some case the implicit rate is not easily determinable, and the Town elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the Town will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The Town's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the public safety expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

Subscription-Based Information Technology Agreements

The Town has entered into contracts granting the Town the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Agreements (SBITAs). The Town records a subscription liability and subscription asset in its financial statements. The subscriptions expired at various dates. The Town initially calculates the subscription liability based on the present value of expected payments during the lease term, reducing it as payments are made. The value of the subscription asset is determined similarly, adjusted for payments and implementation costs, and is amortized over the lesser of its useful life or the lease term.

Key considerations include discount rate determination, subscription term assessment, and payment evaluation. The Town monitors changes that may impact subscription liabilities and adjusts asset and liability values accordingly. Assets are reported alongside long-term capital assets, and liabilities with long-term debts.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Insurance

The Town maintains insurance coverage for most risk including, but not limited to, property damage and auto personal injury liability. Until December 31, 2021, the Town was self-insured for general liability, public officials' liability, law enforcement liability and other court ordered settlements. The judgments and claims were recorded when it was probable that an asset has been impaired or a liability had been incurred and the amount of loss can be reasonably estimated. In the last six years, paid losses from the insurance reserve fund totaled \$62,640 for liability claims and \$176,794 for court ordered assessment settlements. Legal and professional fees incurred in the defense of liability claims have totaled approximately \$69,681 over that same period. Legal and professional fees included for assessment challenges are paid from general appropriations and are not included above. Contributions were made to the insurance reserve annually via real property taxes levied, interest earnings and an interfund transfer.

Effective December 31, 2021, the Town of Vestal is insured by New York Municipal Insurance Reciprocal for general liability, public officials' liability, and law enforcement liability. The town is in the process of evaluating the amount to reserve for prior claims and the balance will be transferred to other reserve funds established or to be established.

The Town's insurance coverage for workers compensation for the police department as a \$1.5 million deductible for indemnity costs.

Use of Estimates

The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unearned Revenues

The Town reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the Town has legal claim to resources, the liability is removed, and revenue is recognized.

Fund Equity

The Town classifies fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Fund Equity - Continued

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Town's legally adopted reserves are reported here.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. The Town Board, by budgetary appropriation, authorized the department heads to assign fund balance for encumbrances. The Town Board may by budgetary appropriation or resolution assign fund balance to fund operations or capital expenditures.
- **Unassigned** - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Town has not adopted any resolutions to commit fund balance. The Town's policy is to apply expenditures against restricted fund balance, assigned fund balance, and unassigned fund balance, in this respective order.

The Town adopted a reserve fund policy on August 10, 2016 that covers restricted, assigned, and unassigned fund balance.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Fund Equity - Continued

For restricted fund balance (reserves) the Town shall strive to maintain a level of reserves to guard taxpayers against a service disruption and to help reduce the reliance on borrowing. Funding of the reserves comes from surplus funds in a fiscal year or other sources designated by the Town Board. The Board must approve any expenditures of or use of reserves by approval of a resolution and the reserves shall only be used for their intended purpose.

For unassigned fund balance, Town management will maintain levels at no less than 10% and no more than 15% of the total adopted budgeted expenditures of the General Fund. On an annual basis, the Comptroller/Director of Finance will calculate and verify compliance with this by taking the audited balance available in the unrestricted unassigned fund balance of the General Fund for the most recent audited fiscal year and dividing that by the adopted expenditure budget for the current fiscal year for the General Fund, taking into account any appropriation of fund balance. The Comptroller/Director of Finance shall report annually to the Town Board and make recommendations for the use of funds or the replenishment of funds, depending on a surplus or deficit. For years in which a surplus results, any excess may be utilized for any lawful purpose by the Town Board. For years in which a deficit occurs, resulting in the unrestricted unassigned fund balance falling below 10%, the Comptroller/Director of Finance shall prepare and submit to the Town Board a plan to restore the minimum target level in the next budget year or appropriate period of time.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to other postemployment benefits (OPEB) and pensions in the Statement of Net Position. The types of deferred outflows of resources related to OPEB are described in Note 7 and the types of deferred outflows of resources related to pensions are described in Note 6.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to intangible leases, OPEB and pensions, which are further described in Notes 12, 7, and 6, respectively.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

New Accounting Standards

The Town adopted and implemented the following current Statement of the GASB effective for the year ended December 31, 2023:

- GASB has issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements," effective for the year ended December 31, 2023.
- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ended December 31, 2023.
- GASB has issued Statement No. 99, "Omnibus 2022," effective for the year ended December 31, 2023.

Future Changes in Accounting Standards

- GASB has issued Statement No. 100, "Accounting Changes and Error Corrections – An Amendment to GASB No. 62," effective for the year ending December 31, 2024.
- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending December 31, 2024.
- GASB has issued Statement No. 102, "Certain Risk Disclosures," effective for the year ending December 31, 2025.
- GASB has issued Statement No. 103, "Financial Reporting Model Improvements," effective for the year ending December 31, 2026.

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

***Note 2* Stewardship, Compliance, and Accountability**

Deficit Fund Balance

The Capital Projects Fund had a deficit fund balance of \$15,690,411 at December 31, 2023. This deficit will be eliminated as short-term debt is converted to long-term financing.

Statement of Net Position

At December 31, 2023 the Statement of Net Position had an unrestricted net deficit of \$44,254,393. This is the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability (see Note 7). The deficit is not expected to be eliminated in the normal course of actions.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 3* **Cash and Investments*

The Town of Vestal's investment policies are governed by New York State statutes. In addition, the Town of Vestal has its own written investment policy. Town of Vestal monies must be deposited in Federal Deposit Insurance Corporation 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 demand and time deposits and certificates of deposit at 100% of all deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, as well as obligations of the state, its municipalities, and its school districts.

Deposits and investments are categorized as either (1) insured and for which the securities are held by the Town's agent in the Town's name; (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Town's name; or (3) uncollateralized.

Total financial institution (bank) balances at December 31, 2023, per the bank, were \$26,532,190. These deposits are either insured or collateralized in accordance with state statutes and Town investment policies.

Investments are stated at fair value and are categorized as either (1) insured or registered, with investments held by the Town or the Town's agent in the Town's name; (2) uninsured and unregistered, with investments held by the financial institution's trust department in the Town's name; (3) uninsured and unregistered, with investments held by the financial institution or its trust department but not in the Town's name. The Town has the following investments in U.S. Treasury securities in the following denominations:

<u>Fund Type</u>	<u>Category</u>	<u>Fair Value</u>
NYCLASS Treasuries	(1)	\$8,422,599
M&T Bank Treasuries	(1)	326,054

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 3* Cash and Investments - Continued**

In addition, the Town's Fire District Service Award program has investments of \$3,275,347 at December 31, 2023. This amount is invested in several different mutual funds and is not insured. See Note 14 for a further description of the program.

Fair Value Measurement

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 3). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows.

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Town has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Town's assets at fair value as of December 31, 2023.

Assets at Fair Value at December 31, 2023				
	Level 1	Level 2	Level 3	Total
Government Obligations:				
U.S. Treasury Bonds	\$ -	\$ 8,748,653	\$ -	\$ 8,748,653
Mutual Funds	3,275,347	-	-	3,275,347
Total	\$3,275,347	\$ 8,748,653	\$ -	\$ 12,024,000

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 4* Other Receivables**

Other receivables for the year ended December 31, 2023 consisted of:

General Town-Wide Fund

Franchise Fees	\$ 67,173
Other Receivables	201,131
Total General Fund	<u>268,304</u>

Special District Funds

Fire Fund

Other Receivables	<u>4</u>
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Sewer Fund

Sewer Rents Receivable	<u>1,605,257</u>
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Highway Town-Wide Fund

Other Receivables	<u>6,251</u>
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Nonmajor Funds

Water Rents Receivable	740,156
Other Receivables	<u>6,366</u>

Total Nonmajor Funds	<u>746,522</u>
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Total Governmental Funds	2,626,338
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Internal Service Fund

Other Receivables	<u>16,821</u>
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Total	<u><u>\$ 2,643,159</u></u>
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TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 5 Capital Assets

The changes in capital assets for the fiscal year ended December 31, 2023 are as follows.

Type	Balance Beginning of Year	Additions	Deletions/ Reclassifications	Balance End of Year
Nondepreciable Capital Assets				
Land	\$ 10,052,262	\$ 35,311	\$ -	\$ 10,087,573
Construction in Progress	904,952	7,475,801	(2,544,042)	5,836,711
Total Nondepreciable Capital Assets	<u>10,957,214</u>	<u>7,511,112</u>	<u>(2,544,042)</u>	<u>15,924,284</u>
Depreciable Capital Assets				
Buildings	27,111,648	249,915	375,940	27,737,503
Improvements	4,924,389	125,250	-	5,049,639
Machinery and Equipment	24,893,511	1,803,843	1,040,733	27,738,087
Infrastructure	81,164,388	2,039,989	54,322	83,258,699
Total Depreciable Capital Assets	<u>138,093,936</u>	<u>4,218,997</u>	<u>1,470,995</u>	<u>143,783,928</u>
Intangible Lease Assets	8,455	18,257	-	26,712
Subscription Assets	-	201,466	-	201,466
Total Historical Cost	<u>149,059,605</u>	<u>11,949,832</u>	<u>(1,073,047)</u>	<u>159,936,390</u>
Accumulated Depreciation/Amortization				
Buildings	(17,526,615)	(960,111)	281,827	(18,204,899)
Improvements	(3,419,198)	(183,107)	-	(3,602,305)
Machinery and Equipment	(16,705,088)	(1,490,472)	214,505	(17,981,055)
Infrastructure	(48,680,567)	(2,340,140)	-	(51,020,707)
Total Accumulated Depreciation	<u>(86,331,468)</u>	<u>(4,973,830)</u>	<u>496,332</u>	<u>(90,808,966)</u>
Intangible Lease Assets	(4,202)	(11,246)	-	(15,448)
Subscription Assets	-	(45,415)	-	(45,415)
Governmental Capital Assets, Net	<u>\$ 62,723,935</u>	<u>\$ 6,919,341</u>	<u>\$ (576,715)</u>	<u>\$ 69,066,561</u>

Depreciation/amortization expense for the year ended December 31, 2023 was allocated to functions as follows:

General Governmental Support	\$ 870,831
Public Safety	732,083
Transportation	1,653,088
Culture and Recreation	230,719
Home and Community Services	1,543,770
Total	<u>\$ 5,030,491</u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems)

Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS)

The Town participates in the New York State and Local Employees' Retirement System which include the New York State and Local Employees' Retirement System plan (ERS) and the New York State Local Police and Fire Retirement System plan (PFRS). These plans are cost-sharing multiple-employer defined benefit pension plans (Systems). The Systems provide retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The System is included in New York State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 6* Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required and were as follows.

	ERS	PFRS
2023	\$ 717,996	\$ 885,198
2022	563,679	756,572
2021	750,598	743,826

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 each of the Systems plans. The net pension (asset)/liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Town's proportionate share of the net pension (asset)/liability was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from report provided to the Town by each of the Systems.

	ERS	PFRS
Actuarial Valuation Date	April 1, 2022	April 1, 2022
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$ 5,510,471,849
Town's Portion of the Plan's Total		
Net Pension (Asset)/Liability	3,827,058	5,031,424
Town's Share of the Plan's Total Net		
Pension (Asset)/Liability	0.0178467%	0.0913066%

For the year ended December 31, 2023, the Town recognized pension expense of \$1,366,453 for ERS and \$1,472,008 for PFRS.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued

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

At December 31, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences Between Expected and Actual Experience	\$ 407,612	\$ 491,771	\$ 107,478	\$ -
Changes of Assumptions	1,858,666	2,451,800	20,542	-
Net Differences Between Projected and Actual Earnings on Pension Investments	-	8,895	22,484	-
Changes in Proportion and Differences Between the Town's Contribution and Proportionate Share of Contributions	124,720	182,585	57,704	536,405
Town's Contributions Subsequent to the Measurement Date	538,497	663,899	-	-
Total	\$ 2,929,495	\$ 3,798,950	\$ 208,208	\$ 536,405

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

<u>Year Ending</u>	<u>ERS</u>	<u>PFRS</u>
2024	\$ 526,215	\$ 465,962
2025	(185,064)	(193,767)
2026	800,987	1,411,925
2027	1,040,652	865,913
2028	-	48,613
Thereafter	-	-

Actuarial Assumptions

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

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued

Actuarial Assumptions - Continued

Significant actuarial assumptions used in the valuations were as follows.

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2023	March 31, 2023
Actuarial Valuation Date	April 1, 2022	April 1, 2022
Investment Rate of Return		
(Net of Investment Expense, Including Inflation)	5.9%	5.9%
Salary Increases	4.4%	6.2%
Inflation Rate	2.9%	2.9%
Cost of Living Adjustments	1.5%	1.5%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

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, 2016 - 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.

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 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 and PFRS</u>
Measurement Date	March 31, 2023
Asset Type	
Domestic Equities	4.3%
International Equities	6.9%
Real Estate	4.6%
Private Equities	7.5%
Opportunistic Portfolio/ARC	5.4%
Real Assets	5.8%
Fixed Income	1.5%
Credit	5.4%

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension (asset)/liability calculated using the discount rate, 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 higher than the current rate.

	1% Decrease	Current	1% Increase
	(4.9%)	Assumption	(6.9%)
ERS			
Town's Proportionate Share of the			
Net Pension (Asset)/Liability	\$ 9,248,357	\$ 3,827,058	\$ (703,069)
PFRS			
Town's Proportionate Share of the			
Net Pension (Asset)/Liability	\$ 10,488,239	\$ 5,031,424	\$ 512,854

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.

	Dollars in Thousands	
	ERS	PFRS
Measurement Date	March 31, 2023	March 31, 2023
Employers' Total Pension Liability	\$ 232,627,259	\$ 43,835,333
Plan Net Position	(211,183,223)	(38,324,863)
Employers' Net Pension (Asset)/Liability	<u>\$ 21,444,036</u>	<u>\$ 5,510,470</u>
Ratio of Plan Net Position to the		
Employers' Total Pension Liability	90.8%	87.4%

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 6 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the System) - Continued

Current Year Activity

The following is a summary of current year activity:

ERS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ (1,425,113)	\$ 5,252,171	\$ 3,827,058
Deferred Outflows of Resources	(3,068,119)	138,624	(2,929,495)
Deferred Inflows of Resources	4,911,931	(4,703,723)	208,208
Total	\$ 418,699	\$ 687,072	\$ 1,105,771

PFRS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ 528,550	\$ 4,502,874	\$ 5,031,424
Deferred Outflows of Resources	(4,256,543)	457,593	(3,798,950)
Deferred Inflows of Resources	4,876,964	(4,340,559)	536,405
Total	\$ 1,148,971	\$ 619,908	\$ 1,768,879

Note 7 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan

Plan Description - The Town's defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The plan is a single-employer defined benefit healthcare plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue separate financial statements as there are no assets legally segregated for the sole purpose of paying benefits under the plan.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 7* Postemployment Benefits Other Than Pensions (OPEB) - Continued**

General Information About the OPEB Plan - Continued

Benefits Provided - The Town provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under.

Employees Covered by Benefit Terms - At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	138
Inactive Employees Entitled to	
But Not Yet Receiving Benefit Payments	-
Active Employees	138
Total	<u>276</u>

Total OPEB Liability

The Town's total OPEB liability of \$48,845,034 was measured as of January 1, 2023 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2023
Measurement Date	January 1, 2023
Reporting Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Discount Rate	3.72%
Salary Scale	3.0%
Rate of Inflation	2.7%
Marital Assumption	70.0%
Participation Rate	100.0%
Healthcare Cost Trend Rates	7.8% for 2024, Decreasing to an Ultimate Rate of 4.14% for 2093

The discount rate is based on the Bond Buyer Weekly 20-Year Bond GO Index rate as of the measurement date (or the nearest business day thereto).

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 7 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Actuarial Assumptions and Other Inputs - Continued

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay actuarial cost method.

Retirement rates are based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation."

The healthcare cost trend rates were developed using the baseline projection of the Society of Actuaries Long-Term Healthcare Cost Trend Model.

The actuarial assumptions used in the January 1, 2023 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2023	<u>\$ 61,417,193</u>
Changes for the Year	
Service Cost	1,936,050
Interest Cost	1,284,179
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(3,794,077)
Changes in Assumptions or Other Inputs	(9,969,376)
Benefit Payments	<u>(2,028,935)</u>
	<u>(12,572,159)</u>
Balance at December 31, 2023	<u><u>\$ 48,845,034</u></u>

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

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

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72)%
Total OPEB Liability	\$ 56,239,291	\$ 48,845,034	\$ 42,880,615

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 7 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 42,534,149	\$ 48,845,034	\$ 56,837,377

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$4,221,390.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,250,329	\$ 3,209,473
Changes in Assumptions or Other Inputs	5,223,879	8,798,711
Contributions Subsequent to Measurement Date	<u>2,165,621</u>	<u>-</u>
Total	<u>\$ 8,639,829</u>	<u>\$12,008,184</u>

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

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 777,710
2025	187,795
2026	(1,278,225)
2027	(2,061,388)
2028	(2,120,717)
Thereafter	(1,039,151)

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 8 Short-Term Debt - Bond Anticipation Notes (BANs)

Liabilities for short-term BANs are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually beginning with the second complete year of origination.

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

BANs renewed prior to issuance of the financial statements for a one year period are considered long-term obligations as of the balance sheet date and as such are reported in the Statement of Net Position.

The following is a summary of changes in short-term BANs, for the year ended December 31, 2023.

	Beginning Balance	Additions	Deletions	Ending Balance
BANs Capital Construction	<u>\$18,454,438</u>	<u>\$3,500,000</u>	<u>\$(2,514,227)</u>	<u>\$19,440,211</u>

Maturity dates and interest rates for short-term BANs are as follows:

Maturity Date	Fund	Interest Rate	Balance at December 31, 2023
08/09/2024	Capital Projects	4.50%	\$ 19,440,211

Interest paid on short-term debt during the year was comprised of the following.

Interest Paid	\$ 713,121
Less Interest Accrued in the Prior Year	(275,344)
Less BAN premium	(113,786)
Interest Accrued in the Current Year	<u>382,359</u>
Total	<u>\$ 706,350</u>

Note 9 Long-Term Debt

Exclusive of the indebtedness of the Vestal Fire District, \$18,184,981 of the total indebtedness of the Town, was subject to the constitutional debt limit and represented approximately 13.35% of the Town's statutory debt limit.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 9 Long-Term Debt - Continued

Serial Bonds

The Town 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. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position.

The following is a summary of changes in serial bonds payable for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Serial Bonds	<u>\$ 1,865,000</u>	<u>\$1,043,827</u>	<u>\$ (620,000)</u>	<u>\$ 2,288,827</u>	<u>\$ 668,827</u>

Summary of Serial Bonds

As of December 31, 2023, serial bonds, including issue and maturity dates and interest rates, consisted of the following:

Description of Issue	Year Issued	Final Maturity	Interest Rate	Payable to Maturity
Public Improvement Bond	2023	08/01/2029	4.25-4.375%	\$ 1,043,827
Refunding Bond	2013	06/15/2026	2.0-2.4%	380,000
Highway Roads and Equipment	2019	05/01/2029	2.13%	140,000
Highway Roads, Parks and Equipment	2020	05/01/2025	2.3-2.4%	380,000
Fire Rescue Vehicle	2020	05/01/2030	.5-3.5%	345,000
Total				<u>\$ 2,288,827</u>

Interest paid on long-term debt during the year was comprised of the following.

Interest Paid	\$ 35,324
(Less) Interest Accrued in the Prior Year	(4,497)
Interest Accrued in the Current Year	<u>42,155</u>
Total	<u>\$ 72,982</u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 9* Long-Term Debt - Continued**

Summary of Serial Bonds - Continued

The following is a summary of maturing debt service requirements for serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 668,827	\$ 68,262	\$ 737,089
2025	600,000	49,549	649,549
2026	495,000	32,257	527,257
2027	200,000	17,302	217,302
2028	140,000	11,108	151,108
2029-2030	185,000	3,845	188,845
Total	<u>\$ 2,288,827</u>	<u>\$ 182,323</u>	<u>\$ 2,471,150</u>

Installment Purchase Debt

The Town is obligated under certain leases accounted for as installment purchase debt.

The outstanding balance as of December 31, 2023 is \$1,661.

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Balance December 31, 2023</u>
Installment Purchase Debt	7/1/2019	5/1/2024	2.0%	\$ 1,661

The following is a summary of changes in installment purchase debt payable for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Installment Purchase Debt	\$ 5,641	\$ -	\$ 3,980	\$ 1,661	\$ 1,661

The following is a schedule of future minimum lease payments under installment purchase debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,661	\$ 39	\$ 1,700
Total	<u>\$ 1,661</u>	<u>\$ 39</u>	<u>\$ 1,700</u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 10 Interfund Balances

Interfund balances and transfers at December 31, 2023 are as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Town-Wide Fund	\$ 145,493	\$1,200,989	\$ 170,000	\$ 6,417,848
Special District Fund - Fire Fund	-	24,725	-	178,234
Special District Fund - Sewer Fund		4,765	-	-
Highway Town-Wide Fund	-	32,896	-	773,774
Capital Projects Fund	1,200,934	-	3,727,822	170,000
Non-Major Funds	-	83,052	261,975	782,678
Internal Service Fund	-	-	4,162,737	-
Total	<u>\$ 1,346,427</u>	<u>\$1,346,427</u>	<u>\$ 8,322,534</u>	<u>\$ 8,322,534</u>

The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. Loans between funds are expected to be paid within one year.

Note 11 Subscription-Based Information Technology Arrangements

During the year ended December 31, 2023, the Town implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements."

The Town enters into contracts for the right to use vendor-provided information technology.

Subscription liabilities as of December 31, 2023 are as follows:

<u>Description</u>	<u>Term of Lease</u>	<u>Discount Rate</u>	<u>Balance</u>
Andrews Technology Novatime	01/01/2023-01/31/2025	6.15%	\$ 9,255
Axon Enterprise	08/15/2023-08/14/2028	5.12%	56,516
Continental Utility	01/01/2023-12/31/2025	5.84%	26,771
Tyler Technologies, Inc	01/01/2023-12/27/2026	5.67%	35,864
			<u>\$ 128,406</u>

The following is a summary of future subscription liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,730	\$ 6,015	\$ 58,745
2025	45,972	3,448	49,420
2026	14,473	1,275	15,748
2027	15,231	501	15,732
	<u>\$ 128,406</u>	<u>\$ 11,239</u>	<u>\$ 139,645</u>

Interest paid for the current year amounts to \$6,655.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 12* Leases**

Lessee - Lease Liabilities

The Town enters into lease agreements for certain equipment and vehicles that are considered leases. The Town is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2023 are as follows:

Description of Lease	Term of Lease	Discount Rate	Balance
Equipment	01/01/2022-04/30/2024	6.59%	\$ 305
Equipment	03/01/2023-02/28/2028	6.78%	14,650
Equipment	01/01/2022-03/31/2024	3.26%	846
			<u><u>\$ 15,801</u></u>

The following is a summary of the maturity of lease liabilities:

Year	Principal	Interest	Total
2024	\$ 4,298	\$ 886	\$ 5,184
2025	3,370	656	4,026
2026	3,606	420	4,026
2027	3,858	168	4,026
2028	669	2	671
	<u><u>\$ 15,801</u></u>	<u><u>\$ 2,132</u></u>	<u><u>\$ 17,933</u></u>

Interest paid for the current year amount to \$1,017.

Lessor - Lease Receivable

The Town enters into lease agreements for equipment and office space that are considered leases. The Town is not party to any short-term leases, and current leases do not require any variable payments.

Lease receivables as of December 31, 2023 are as follows:

Description of Lease	Final Maturity	Discount Rate	Outstanding December 31,
Building	7/31/2026	7.85%	<u>\$ 11,612</u>
Total			<u><u>\$ 11,612</u></u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 12* Leases - Continued**

Lessor - Lease Receivable - Continued

The following is a summary of future lease receivables:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,288	\$ 512	\$ 4,800
2025	4,542	258	4,800
2026	2,782	37	2,819
	<u>\$ 11,612</u>	<u>\$ 807</u>	<u>\$ 12,419</u>

The Town recognized lease revenue of \$4,271 and interest income of \$714 for the year ended December 31, 2023. The total of leases receivables is offset by a deferred inflow of resources totaling \$11,034.

***Note 13* Restricted Fund Balance**

Restricted fund balance in the General Fund at December 31, 2023 was comprised of the following:

General Fund	
Insurance Reserve	\$ 1,630,576
General Reserve	16,393
Capital Reserve	64,942
Reserve for Repairs	14,031
Reserve for Debt	100,154
Other Restricted Fund Balance:	
Employee Benefits	399,803
DARE Program	1,447
Crime Proceeds	11,128
Sale of Property	5,218
Handicapped Parking Education	1,717
Total	<u><u>\$ 2,245,409</u></u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 14* Fire Service Award Program**

Length of Service Awards Program - LOSAP

The Town of Vestal/Vestal Fire District established a defined benefit Service Award Program (referred to as a "LOSAP" - length of service award program) under §457(e)(11) of the Internal Revenue Code, effective January 1, 1996, for active volunteer firefighter members of the Fire Department. The program was established pursuant to Article 11-A of the New York State GML. The program provides municipally-funded pension-like benefits to facilitate recruitment and retention of active volunteer firefighters. The Town of Vestal/Vestal Fire District is the sponsor of the program and the program administrator.

Program Description

Under the program, participating volunteers begin to be paid a service award upon attainment of the program "entitlement age." The amount of the service award paid to a volunteer is based upon the number of years of service credit earned for performing active volunteer firefighter activities.

Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached the age of 16 and completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age (65) while an active volunteer. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter of the Fire Department.

Benefits

A participant's service award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$15 multiplied by the total number of years of service credit earned by the volunteer under the point system. The maximum number of years of service credit a participant may earn is 40 years under the program. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of death or total and permanent disablement, service awards commence payment when a participant attains entitlement age. Volunteers who continue to be active after attaining entitlement age and beginning to receive a service award continue to have the opportunity to earn program credit and thereby increase their service award payments. The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement (for participants who were active volunteers at death, the minimum death benefit payable is \$10,000). The program does not provide extra line-of-duty death or disability benefits.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 14* Fire Service Award Program - Continued**

Benefits - Continued

Except for the minimum guaranteed death benefit of \$10,000 (funded through Group Term Life Insurance), all death and disability benefits are “self-insured” and paid from the program trust fund. For a complete explanation of the program, see the Program Document, a copy of which is available from the Town Comptroller.

Fiduciary Investment and Control

After the end of each calendar year, the Fire District prepares and certifies a list of names of all persons who were active volunteer members of the Fire Department during the year, indicating which volunteers earned 50 points. The certified list is delivered to the Town Board/Board of Fire Commissioners for the Board’s review and approval.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying reasonable expenses of the operation and administration of the program. The Town Board/Board of Fire Commissioners created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Town Comptroller. The Town Board/Board of Fire Commissioners are the Program Trustees.

Authority to invest program assets is vested in the Program Trustees. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the written investment policy statement adopted by the Town Board/Board of Fire Commissioners.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the Town/Fire District is Craig Relyea, ASA, MAA of Firefly Admin Inc. Mr. Relyea is a member of the Society of Actuaries and the American Society of Actuaries who meets the Qualification Standards of the American Academy of Actuaries. Portions of the following information are derived from a report prepared by the actuary dated April 29, 2024.

Participants Covered by the Benefit Terms

At the December 31, 2022 measurement date, the following participants were covered by the benefit terms:

Contributions

New York State GML §219(d) requires the Town to contribute an actuarially determined contribution on an annual basis, which is appropriated annually by the district.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 14* Fire Service Award Program - Continued**

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the District. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2022 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	None Assumed
Discount Rate:	4.31%
Salary Scale:	None Assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate

The discount rate used to measure the total pension liability was 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. In describing this index, S&P Dow Jones Indices notes the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least AA by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 73 to pay related benefits.

Changes in the Total Pension Liability

Balance as of December 31, 2022 Measurement Date	<u>\$ 5,038,672</u>
Service Cost	176,505
Interest	115,624
Changes of Assumptions or Other Inputs	(1,488,665)
Differences Between Expected and Actual Experience	52,569
Benefit Payments	<u>(153,562)</u>
Net Changes	<u>(1,297,529)</u>
Balance as of December 31, 2023 Measurement Date	<u>\$ 3,741,143</u>

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 14 Fire Service Award Program - Continued

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

The following presents the total pension liability of the Town as of the December 31, 2022 measurement date, calculated using the discount rate, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate.

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total Pension Liability	\$ 4,373,205	\$ 3,741,143	\$ 3,237,454

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

For the year ended December 31, 2023, the Town recognized pension expense of \$146,484. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 70,350	\$ 89,555
Changes of Assumptions or Other Inputs	1,115,586	1,765,332
Benefit Payments and Administrative Expenses Subsequent to the Measurement Date	157,330	-
Total	\$ 1,343,266	\$ 1,854,887

Amounts reported as deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2024	\$ (152,644)
2025	(152,644)
2026	(152,644)
2027	(152,644)
2028	(150,036)
Thereafter	91,661

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 15* Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The Town began participation in the New York State Deferred Compensation Plan (the Plan) on January 1, 2000. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement No. 32, "Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the Plan does not meet the criteria for inclusion in the Town's financial statements.

***Note 16* Federal Housing Program**

Prior to 1999, the Town participated in a Section 8 housing program of the U.S. Department of Housing and Urban Development. This program was, by contractual arrangement, administered by the Town of Union in all respects other than the receipt and disbursement of funds. Effective October 1, 1999, the Town agreed to the merger of its program with the Town of Union's program. The Town of Union thereby assumed the Town of Vestal annual contribution contract and administration obligations.

***Note 17* Sales and Franchise Taxes**

A 4% sales tax is levied in the County of Broome under the general authority of Article 29 of the Tax Law. This tax is administered and collected by the State Tax Commission in the same manner as that relating to the state imposed 4% sales and compensating use tax. The County retains the first 25% of sales tax received. Beginning in 2009, the County capped its distributions to local municipalities. In November 2016, the formula was amended and now returns 50% of the 3% imposed sales tax to the constituent municipalities based on population. Sales tax revenue increased from \$9,648,114 in 2022 to \$10,139,212 in 2023.

The cable television company providing service in the Town of Vestal must pay a franchise fee of 5% to the Town on gross receipts generated in the Town. The franchise agreement expired in June 2014 and is currently being negotiated. In 2023, this fee totaled \$296,719, which decreased from \$312,485 received in 2022.

TOWN OF VESTAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

***Note 18* Tax Abatements**

The Town is impacted by several property tax abatement agreements. Generally, these agreements provide for a percentage abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) for an agreed upon period of time. The Town further agrees to construct a project for a specified project benefiting the economic and social welfare of the community.

	<u>Student Housing</u>	<u>Multi-Use Senior Long Term Care Facility</u>	<u>Sports Complex</u>
Date of Agreement	August 13, 2014	February 6, 2014	November 16, 2017
Taxable Assessed Value	\$ 40,055,180	\$ 26,640,000	\$ 2,500,000
Tax Rate 2023, per \$1,000	4.1601	4.1601	4.1601
Tax Value 2023	166,634	110,825	10,400
PILOT Received	213,731	83,119	5,200
Taxes Abated 2023	(47,097)	27,706	5,200

***Note 19* Subsequent Events**

Actual 2023 results were better than the 2023 revised budget estimates and the General Fund unassigned fund balance exceeded the balance allowed under the Town's fund balance policy. In early 2023, the Town Board authorized the appropriation of an additional \$2.45 million of fund balance to finance capital needs of the Town and to reduce fund balance to within policy limits. This appropriation is reflected in the assigned appropriated fund balance of the General Fund reported in the statements herein.

In 2024, the Town Board passed a bond resolution authorizing borrowing of \$1,000,000 for \$3,000,000 rail trail 3 extension project to be received in summer 2024.

In 2024, the Town borrowed \$4,291,000 for 2024 capital projects.

The Town of Vestal Fire District plans to be a standalone entity and split from the Town of Vestal in 2024.

TOWN OF VESTAL

BUDGETARY COMPARISON SCHEDULE GENERAL - TOWN-WIDE FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 5,963,478	\$ 5,963,478	\$ 5,957,557	\$ -	\$ (5,921)
Real Property Tax Items	221,044	221,044	234,157	-	13,113
Nonproperty Tax Items	6,580,000	6,580,000	7,779,961	-	1,199,961
Departmental Income	296,050	331,057	382,757	-	51,700
Intergovernmental Charges	25,500	25,500	25,500	-	-
Use of Money and Property	120,800	120,800	539,440	-	418,640
Licenses and Permits	180,325	180,325	185,645	-	5,320
Fines and Forfeitures	85,000	85,000	124,222	-	39,222
Sale of Property and Compensation for Loss	61,000	84,544	102,120	-	17,576
Miscellaneous Local Sources	91,500	181,458	220,164	-	38,706
Interfund Revenues	238,760	238,760	238,760	-	-
State Sources	514,963	534,438	600,383	-	65,945
Federal Sources	78,500	1,112,146	1,043,070	-	(69,076)
Total Revenues	14,456,920	15,658,550	17,433,736	-	1,775,186
EXPENDITURES					
General Governmental Support	2,738,196	3,103,015	2,999,358	2,716	100,941
Public Safety	5,177,795	5,307,245	5,217,442	25,870	63,933
Health	1,500	1,572	1,572	-	-
Transportation	445,989	450,948	436,115	-	14,833
Economic Assistance and Opportunity	18,833	19,233	18,457	-	776
Culture and Recreation	1,344,976	1,342,805	1,214,457	18,001	110,347
Home and Community Services	19,740	20,216	14,879	3,390	1,947
Employee Benefits	1,867,800	2,127,139	2,125,495	-	1,644
Debt Service (Principal and Interest)	332,131	572,033	572,030	-	3
Total Expenditures	11,946,960	12,944,206	12,599,805	49,977	294,424
Excess of Revenues	2,509,960	2,714,344	4,833,931	(49,977)	2,069,610
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	-	170,000	-	170,000
Interfund Transfers (Out)	(2,916,000)	(7,588,815)	(6,417,848)	(1,170,965)	2
Proceeds of Obligations	-	219,710	219,710	-	-
Total Other Financing (Uses) Sources	(2,916,000)	(7,369,105)	(6,028,138)	(1,170,965)	170,002
Excess of (Expenditures) and Other (Uses) Over Revenues and Other Financing Sources	(406,040)	(4,654,761)	(1,194,207)	\$ (1,220,942)	\$ 2,239,612
Appropriated Fund Balance	406,040	4,654,761			
Net Change in Fund Balance	\$ -	\$ -	(1,194,207)		
Fund Balance, Beginning of Year			8,597,079		
Fund Balance, End of Year			\$ 7,402,872		

See Notes to Required Supplementary Information

TOWN OF VESTAL

BUDGETARY COMPARISON SCHEDULE SPECIAL DISTRICT FUND - FIRE FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 2,024,366	\$ 1,954,123	\$ 1,949,939	\$ -	\$ (4,184)
Intergovernmental Charges	-	-	5,825	-	5,825
Use of Money and Property	16,600	16,600	614,439	-	597,839
Sale of Property and Compensation for Loss	-	-	1,499	-	1,499
Miscellaneous Local Sources	-	-	66,643	-	66,643
Total Revenues	<u>2,040,966</u>	<u>1,970,723</u>	<u>2,638,345</u>	<u>-</u>	<u>667,622</u>
EXPENDITURES					
General Governmental Support	4,100	4,100	-	-	4,100
Public Safety	838,133	1,638,598	1,535,610	17,034	85,954
Employee Benefits	14,834	278,114	278,114	-	-
Debt Service (Principal and Interest)	685,314	688,686	688,685	-	1
Total Expenditures	<u>1,542,381</u>	<u>2,609,498</u>	<u>2,502,409</u>	<u>17,034</u>	<u>90,055</u>
Excess of Revenues (Expenditures)	<u>498,585</u>	<u>(638,775)</u>	<u>135,936</u>	<u>(17,034)</u>	<u>757,677</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In (Out)	(35,400)	(185,734)	(178,234)	-	7,500
Total Other Financing Sources (Uses)	<u>(35,400)</u>	<u>(185,734)</u>	<u>(178,234)</u>	<u>-</u>	<u>7,500</u>
Excess of (Expenditures) and Other (Uses) Over Revenues and Other Financing Sources	<u>463,185</u>	<u>(824,509)</u>	<u>(42,298)</u>	<u>\$ (17,034)</u>	<u>\$ 765,177</u>
Appropriated Fund Balance	<u>(463,185)</u>	<u>824,509</u>			
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(42,298)</u>		
Fund Balance, Beginning of Year			5,444,326		
Fund Balance, End of Year			<u>\$ 5,402,028</u>		

See Notes to Required Supplementary Information

TOWN OF VESTAL

BUDGETARY COMPARISON SCHEDULE SPECIAL DISTRICT FUND - SEWER FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Real Property Tax Items	\$ 514,155	\$ 514,155	\$ 512,947	\$ -	\$ (1,208)
Departmental Income	4,758,600	4,758,600	4,626,211	-	(132,389)
Use of Money and Property	1,200	1,200	143,683	-	142,483
Miscellaneous Local Sources	-	-	5,201	-	5,201
Total Revenues	<u>5,273,955</u>	<u>5,273,955</u>	<u>5,288,042</u>	<u>-</u>	<u>14,087</u>
EXPENDITURES					
Home and Community Services	5,052,650	4,685,438	4,399,364	274,012	286,074
Debt Service (Principal and Interest)	60,155	60,605	60,603	-	2
Total Expenditures	<u>5,112,805</u>	<u>4,746,043</u>	<u>4,459,967</u>	<u>274,012</u>	<u>286,076</u>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	<u>161,150</u>	<u>527,912</u>	<u>828,075</u>	<u>\$ (274,012)</u>	<u>\$ 300,163</u>
Appropriated Fund Balance and Reserves	<u>(161,150)</u>	<u>(527,912)</u>			
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>828,075</u>		
Fund Balance, Beginning of Year			<u>4,337,893</u>		
Fund Balance, End of Year			<u>\$ 5,165,968</u>		

See Notes to Required Supplementary Information

TOWN OF VESTAL

BUDGETARY COMPARISON SCHEDULE HIGHWAY TOWN-WIDE FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 2,838,895	\$ 2,838,895	\$ 2,837,529	\$ -	\$ (1,366)
Real Property Tax Items	93,889	93,889	97,416	-	3,527
Nonproperty Tax Items	2,685,000	2,685,000	2,685,000	-	-
Intergovernmental Charges	14,060	14,060	19,000	-	4,940
Use of Money and Property	6,000	6,000	121,112	-	115,112
Sale of Property and Compensation for Loss	7,000	12,748	36,856	-	24,108
Miscellaneous Local Sources	-	-	36,660	-	36,660
Interfund Revenues	97,613	97,613	98,311	-	698
State Sources	241,090	282,939	282,939	-	-
Total Revenues	5,983,547	6,031,144	6,214,823	-	183,679
EXPENDITURES					
Transportation	3,779,591	3,862,327	3,420,891	5,675	435,761
Employee Benefits	445,700	445,384	427,242	-	18,142
Debt Service (Principal and Interest)	1,074,814	1,074,814	1,074,813	-	1
Total Expenditures	5,300,105	5,382,525	4,922,946	5,675	453,904
Excess of Revenues (Expenditures)	683,442	648,619	1,291,877	(5,675)	637,583
OTHER FINANCING SOURCES (USES)					
Interfund Transfers (Out)	(821,565)	(821,565)	(773,774)	-	47,791
Total Other Financing Sources (Uses)	(821,565)	(821,565)	(773,774)	-	47,791
Excess of (Expenditures) and Other (Uses) Over Revenues and Other Financing Sources	(138,123)	(172,946)	518,103	\$ (5,675)	\$ 685,374
Appropriated Fund Balance	138,123	172,946			
Net Change in Fund Balance	\$ -	\$ -	518,103		
Fund Balance, Beginning of Year			1,140,785		
Fund Balance, End of Year			\$ 1,658,888		

See Notes to Required Supplementary Information

TOWN OF VESTAL

SCHEDULE OF TOWN'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ERS										
Contractually Required Contribution	\$ 717,996	\$ 563,679	\$ 750,598	\$ 677,806	\$ 694,234	\$ 681,881	\$ 712,209	\$ 719,063	\$ 823,480	\$ 933,277
Contributions in Relation	(717,996)	(563,679)	(750,598)	(677,806)	(694,234)	(681,881)	(712,209)	(719,063)	(823,480)	(933,277)
to the Contractually Required Contribution										
Contribution Deficiency (Excess)	5,613,617	5,054,406	4,986,544	4,782,957	4,731,308	4,816,166	4,703,706	4,711,257	4,608,592	4,507,117
Town's Covered Employee Payroll										
Contributions as a Percentage of	12.8%	11.2%	15.1%	14.2%	14.7%	14.2%	15.1%	15.3%	17.9%	20.7%
Covered Employee Payroll										
PFRS										
Contractually Required Contribution	\$ 885,198	\$ 756,572	\$ 743,826	\$ 640,131	\$ 591,137	\$ 550,102	\$ 599,386	\$ 590,861	\$ 586,847	\$ 560,060
Contributions in Relation	(885,198)	(756,572)	(743,826)	(640,131)	(591,137)	(550,102)	(599,386)	(590,861)	(586,847)	(560,060)
to the Contractually Required Contribution										
Contribution Deficiency (Excess)	3,523,204	3,204,557	3,160,544	3,028,504	2,975,297	2,827,616	2,565,952	2,567,443	2,477,727	2,330,830
Town's Covered Employee Payroll										
Contributions as a Percentage of	25.1%	23.6%	23.5%	21.1%	19.9%	19.5%	23.4%	23.0%	23.7%	24.0%
Covered Employee Payroll										

See Notes to Required Supplementary Information

TOWN OF VESTAL

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEAR ENDED DECEMBER 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS									
Town's Proportion of the Net Pension (Asset)/Liability	0.0178467%	0.0174333%	0.0159650%	0.0162629%	0.0166387%	0.0170647%	0.0165783%	0.0168505%	0.0171905%
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 3,827,058	\$ (1,425,113)	\$ 15,897	\$ 4,306,523	\$ 1,178,904	\$ 550,753	\$ 1,557,731	\$ 2,704,548	\$ 580,736
Town's Covered-Employee Payroll During the Measurement Period	5,800,020	5,054,406	4,986,544	4,782,957	4,816,166	4,703,706	4,647,829	4,490,879	4,555,829
Town's Proportionate Share of the Net Pension (Asset)/Liability	65.98%	28.20%	0.32%	90.04%	24.48%	11.71%	33.52%	60.22%	12.75%
as a Percentage of its Covered Employee Payroll	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability									
The Following is a Summary of Changes in Assumptions									
Inflation	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014
PFRS									
Town's Proportion of the Net Pension (Asset)/Liability	0.0913066%	0.0930473%	0.0835312%	0.0835059%	0.0732588%	0.0711939%	0.0716982%	0.0692477%	0.0680381%
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 5,031,424	\$ 528,550	\$ 1,450,332	\$ 4,463,339	\$ 1,228,597	\$ 719,598	\$ 1,486,054	\$ 2,050,276	\$ 187,281
Town's Covered-Employee Payroll During the Measurement Period	3,629,419	3,204,557	3,160,544	3,028,504	2,827,616	2,565,952	2,521,868	2,345,303	2,287,412
Town's Proportionate Share of the Net Pension (Asset)/Liability	138.63%	16.49%	45.89%	147.38%	43.45%	28.04%	58.93%	87.42%	8.19%
as a Percentage of its Covered Employee Payroll	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability									
The Following is a Summary of Changes in Assumptions									
Inflation	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	6.20%	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%	4.50%	6.00%
Cost of Living Adjustments	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

See Notes to Required Supplementary Information

TOWN OF VESTAL

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY LENGTH OF SERVICE AWARD PROGRAM

	Last 10 Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total LOSAP Liability										
Service Cost	\$ 176,505	\$ 207,580	\$ 142,559	\$ 126,879	\$ 103,993	\$ 83,497	\$ 108,460	\$ *	\$ *	\$ *
Interest Cost	115,624	103,197	133,912	132,417	120,032	122,170	112,813	*	*	*
Differences Between Expected and Actual Experience	52,569	(32,583)	(26,436)	347,766	(290,942)	54,713	(40,616)	*	*	*
Changes in Assumptions or Other Inputs	(1,488,665)	(294,798)	1,072,210	(34,939)	(12,860)	324,468	(292,290)	*	*	*
Benefit Payments	(153,562)	(167,467)	(128,326)	(107,520)	(100,905)	(98,853)	(92,835)	*	*	*
Net Change in Total LOSAP Liability	(1,297,529)	(184,071)	1,193,919	464,603	(180,682)	485,995	(204,468)	*	*	*
Total LOSAP Liability - Beginning of Year	5,038,672	5,222,743	4,028,824	3,564,221	3,744,903	3,258,908	3,463,376	*	*	*
Total LOSAP Liability - End of Year	\$ 3,741,143	\$ 5,038,672	\$ 5,222,743	\$ 4,028,824	\$ 3,564,221	\$ 3,744,903	\$ 3,258,908	\$ 3,463,376	\$ *	\$ *

* Information will be presented as it becomes available.

See Notes to Required Supplementary Information

TOWN OF VESTAL

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service Cost	\$ 1,936,050	\$ 1,880,883	\$ 1,444,359	\$ 1,034,471	\$ 1,225,045	\$ 1,127,700	\$ 1,170,327	\$	\$	\$
Interest Cost	1,284,179	1,278,370	1,410,899	1,692,305	1,639,590	1,656,289	1,564,991			
Changes of Benefit Terms	-	215,225	-	-	(6,800,699)	13,894	-			
Differences Between Expected and Actual Experience	(3,794,077)	-	2,094,407	-	2,794,743	-	-			
Changes in Assumptions or Other Inputs	(9,969,376)	589,039	5,218,483	8,670,637	(3,571,153)	2,398,248	-			
Benefit Payments	(2,028,935)	(1,931,794)	(1,661,980)	(1,518,744)	(1,448,661)	(1,447,701)	(1,447,701)			
Net Change in Total OPEB Liability	(12,572,159)	2,031,723	8,506,168	9,878,669	(6,161,135)	3,748,430	1,287,617			
Total OPEB Liability - Beginning of Year	61,417,193	59,385,470	50,879,302	41,000,633	47,161,768	43,413,338	42,125,721			
Total OPEB Liability - End of Year	\$ 48,845,034	\$ 61,417,193	\$ 59,385,470	\$ 50,879,302	\$ 41,000,633	\$ 47,161,768	\$ 43,413,338	\$ 42,125,721	\$	\$
Covered Employee Payroll	\$ 8,489,497	\$ 9,502,426	\$ 8,871,266	\$ 7,750,363	\$ 7,715,910	\$ 7,883,020	\$ 7,358,718	\$	\$	\$
Total OPEB Liability as a Percentage of Covered Payroll	575%	646%	669%	658%	531%	598%	590%			

The Following is a Summary of Changes in Assumptions	
Healthcare Cost Trend Rates	7.80% - 4.14%
Salary Increases	3.00%
Inflation Rate	2.70%
Mortality Scale	MP-2021
Discount Rate	3.72%

Healthcare Cost Trend Rates	7.00% - 4.04%
Salary Increases	3.50%
Inflation Rate	2.20%
Mortality Scale	MP-2021
Discount Rate	2.06%

Healthcare Cost Trend Rates	7.00% - 4.04%
Salary Increases	3.00%
Inflation Rate	2.50%
Mortality Scale	MP-2019
Discount Rate	2.12%

Healthcare Cost Trend Rates	7.00% - 3.94%
Salary Increases	3.00%
Inflation Rate	2.40%
Mortality Scale	MP-2018
Discount Rate	3.44%

* Information will be presented as it becomes available.

See Notes to Required Supplementary Information

TOWN OF VESTAL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023

***Note 1* Budget Policies**

The Budget Policies are as Follows:

- No later than September 30, a tentative budget is submitted by the budget officer 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.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board. However, a department head is authorized to transfer certain budgeted amounts within their department with the prior approval of the Town Controller and subsequent ratification of the Town Board.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed for the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balance, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with its prescribed fund's basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary controls for the Special Grant Fund are established in accordance with the applicable grant agreement, which covers a period other than the Town's fiscal year.

***Note 2* Schedules of Town's Contributions - NYSLRS Pension Plans and Schedules of the Town's Proportionate Share of the Net Pension (Asset)/Liability**

NYSLRS

Changes in Benefit Terms

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

There are no assets accumulated in a trust that meets the criteria described in Governmental Accounting Standards Board (GASB) Statement No. 73 to pay related benefits.

TOWN OF VESTAL

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Special Revenue Funds					Total
	Special District Funds			Special Grant Fund	Other Special Revenue	
	Drainage Fund	Water Fund	Lighting Fund			
ASSETS						
Cash and Cash Equivalents - Unrestricted	\$ 2,055	\$ 718,852	\$ 128,221	\$ -	\$ 91,775	\$ 940,903
Temporary investments	-	806,793	-	-	-	806,793
Prepaid expenses	-	26,713	-	-	-	26,713
Other Receivables, Net	-	746,522	-	-	-	746,522
Cash and Cash Equivalents - Restricted	-	437,005	-	46,946	-	483,981
Investments - Restricted	-	417,051	-	-	-	417,051
Total Assets	\$ 2,055	\$ 3,152,936	\$ 128,221	\$ 46,946	\$ 91,775	\$ 3,421,963
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ -	\$ 56,285	\$ 15,939	\$ -	\$ 147	\$ 72,371
Accrued liabilities	-	138,111	-	-	-	138,111
Due to Other Funds	-	65,663	17,389	-	-	83,052
Due to other governments	-	1,298	-	-	-	1,298
Unearned Revenues	-	101,793	-	-	-	101,793
Total Liabilities	-	363,150	33,328	-	147	396,625
Fund Balances						
Nonspendable	-	26,713	-	-	-	26,713
Restricted	-	854,056	-	46,946	-	901,032
Assigned	2,055	1,909,017	94,893	-	91,628	2,097,593
Total Fund Balances	2,055	2,789,786	94,893	46,946	91,628	3,025,338
Total Liabilities and Fund Balances	\$ 2,055	\$ 3,152,936	\$ 128,221	\$ 46,946	\$ 91,775	\$ 3,421,963

TOWN OF VESTAL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds					Total
	Special District Funds			Special Grant Fund	Other Special Revenue	
	Drainage Fund	Water Fund	Lighting Fund			
REVENUES						
Real Property Taxes	\$ -	\$ 327,709	\$ 154,914	\$ -	\$ -	\$ 482,623
Real Property Tax Items	98,971	-	-	-	-	98,971
Departmental Income	-	2,591,507	-	-	-	2,591,507
Use of Money and Property	-	112,381	4,542	-	470	117,394
Sale of Property and Compensation for Loss	-	14,366	-	-	-	14,366
Miscellaneous Local Sources	-	40,623	-	-	47,589	88,212
Interfund Revenues	-	341,738	-	-	-	341,738
Total Revenues	98,971	3,428,324	159,456	-	48,059	3,734,811
EXPENDITURES						
Transportation	-	-	181,830	-	-	181,830
Home and Community Services	98,637	2,919,878	-	-	-	3,018,515
Employee Benefits	-	281,513	-	-	44,958	326,471
Debt Service						
Principal	-	392,983	-	-	-	392,983
Interest	-	141,200	-	-	-	141,200
Total Expenditures	98,637	3,735,574	181,830	-	44,958	4,060,999
Excess of Revenues (Expenditures)	334	(307,250)	(22,374)	-	3,101	(326,188)
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	-	212,122	-	-	49,853	261,973
Interfund Transfers (Out)	-	(782,678)	-	-	-	(782,678)
Total Other Financing Sources (Uses)	-	(570,556)	-	-	49,853	(520,703)
Net Changes in Fund Balances	334	(877,806)	(22,374)	-	52,954	(846,891)
Fund Balances, Beginning of Year	1,721	3,667,592	117,267	46,946	38,674	3,872,229
Fund Balances, End of Year	\$ 2,055	\$2,789,786	\$ 94,893	\$ 46,946	\$ 91,628	\$ 3,025,338



**INDEPENDENT AUDITORS' 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***

Town Board
Town of Vestal
Vestal, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Vestal (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Vestal's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town of Vestal's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 24, 2024



**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Town Board
Town of Vestal
Vestal, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Vestal's (the Town's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Inero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 24, 2024

TOWN OF VESTAL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor Pass-Through Grantor Program Title	Federal ALN #	Pass - Through Grantor ID #	Pass - Through to Subrecipients	Amount of Expenditures
U.S. Department of Transportation				
Passed Through NYS Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D040429	\$ -	\$ 146,392
Highway Planning and Construction	20.205	D040681	-	37,362
Total Highway Planning and Construction Cluster and U.S. Department of Transportation			-	183,754
U.S. Department of Treasury				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,019,829
Total U.S. Department of Treasury			-	1,019,829
U.S. Department of Homeland Security				
Passed Through NYS Department of Homeland Security and Emergency Services:				
Disaster Assistance	97.036	(1)	-	9,424
Total U.S. Department of Homeland Security			-	9,424
U.S. Department of Justice				
Passed through NYS Department of Criminal Justice Services:				
Bulletproof Vest Program	16.607	(1)	-	13,817
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,226,824</u>

(1) - Unable to determine

TOWN OF VESTAL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the Town, an entity as defined in Note 1 to the Town's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Town has not elected to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs (for example, the Town's share of certain program costs) are not included in the reported expenditures.

TOWN OF VESTAL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR §200.516(a)? yes X no

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>Coronavirus State and Local Fiscal Recovery Funds</u>

Dollar threshold used to distinguish between Type A and Type B
Programs \$ 750,000

Auditee qualified as low-risk? yes X no

Section II Financial Statement Findings

None.

Section III Federal Award Findings and Questioned Costs

None.

FORM OF BOND COUNSEL'S OPINION

June 5, 2025

Town of Vestal
County of Broome
State of New York

Re: Town of Vestal, Broome County, New York
\$4,291,900 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$4,291,900 Bond Anticipation Notes, 2025 (Renewals) (the "Obligations"), of the Town of Vestal, Broome County, New York (the "Obligor"), dated June 5, 2025, numbered 1, of the denomination of \$_____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing June 4, 2026.

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.

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,

Orrick, Herrington & Sutcliffe LLP