

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the Town, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the Town with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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



\$2,880,000

TOWN OF HASTINGS

OSWEGO COUNTY, NEW YORK

\$2,880,000 Bond Anticipation Notes, 2021 (Renewals)

(the "Notes")

Dated: June 30, 2021

Due: June 30, 2022

The Notes are general obligations of the Town of Hastings, Oswego County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein. The Notes are to be issued without the option of prior redemption.

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

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town at maturity.

If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be paid in Federal Funds by the Town to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about June 30, 2021.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com or by facsimile at (315) 930-2354, on June 16, 2021 by no later than 10:30 A.M. Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 9, 2021

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

TOWN OF HASTINGS

OSWEGO COUNTY, NEW YORK

TOWN OFFICIALS



TONY BUSH
Supervisor

TOWN BOARD

JOHN DONAHUE
JOHN HILL
KENNETH HOTALING
MARK MARTINO

ADMINISTRATION

MARK A. BOMBARDO
Director of Community Planning and Development

SHELLEY J. BOMBARDO
Town Clerk

ANTHONY RIVIZZIGNO, ESQ.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by the Town of Hastings 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 of Hastings.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF HASTINGS
OSWEGO COUNTY, NEW YORK
Relating To

\$2,880,000 Bond Anticipation Notes, 2021 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Hastings, Oswego County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of \$2,880,000 Bond Anticipation Notes, 2021 (Renewals) (referred to herein as the “Notes”).

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State, and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town's overall economic situation and outlook (and all specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

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. See “Nature of the Obligation” herein.

The Notes are dated June 30, 2021 and mature on June 30, 2022, without the option of prior redemption. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser, the Notes will be issued in registered form (i) in the name of the purchaser(s) or (ii) in book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”). If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town. If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be paid in Federal Funds by the Town to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are to be issued without the option of prior redemption.

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 a bond resolution adopted by the Town Board on March 11, 2016 authorizing the reconstruction of additions to and equipping of a wastewater treatment plant and sewer lines and improvements in the Town at an estimated maximum cost of \$3,000,000 and authorizing the issuance of up to \$3,000,000 serial bonds of the Town to pay the cost thereof.

The proceeds of the Notes will be applied to renew the \$2,915,000 bond anticipation notes outstanding and maturing on July 1, 2021, with the balance of such outstanding bond anticipation notes being retired with \$35,000 available funds of the Town.

Nature of the Obligation

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

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

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

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the 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 2011 Laws of New York 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.

BOOK-ENTRY-ONLY SYSTEM

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

DTC, a limited-purpose trust company organized under the New York Banking Law, is a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). 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 information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain not subject to the option of redemption prior to their stated final maturity date.

THE TOWN

General Information

The Town of Hastings, with a land area of 45.8 square miles, is located in upstate New York in the central part of Oswego County. The City of Oswego, the County seat, is located approximately 20 miles west of the Town, while the City of Syracuse is located approximately 30 miles to the South, and the City of Watertown is located approximately 50 miles to the north. The Town is primarily rural and residential in nature.

Major highways serving the Town include US Route #11, State Route #49 and 69 and Interstate #81. The New York State Thruway (I #90) is easily accessible in nearby City of Syracuse. Transportation services are also provided through the Syracuse Hancock International Airport, Conrail, and three bus companies.

Opportunities for higher education within close proximity include The State University of New York at Oswego, Syracuse University, LeMoyne College, and Onondaga Community College in Syracuse.

Police protection is afforded residents by County and State agencies. Fire protection is provided by various volunteer groups. Gas and electricity are furnished by National Grid (formerly Niagara Mohawk Power Corporation).

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of Hastings</u>	<u>Oswego County</u>	<u>New York State</u>
1970	6,042	100,897	18,236,882
1980	7,095	113,901	17,558,072
1990	8,113	121,771	17,990,455
2000	8,803	122,377	18,976,457
2010	9,450	122,109	19,378,102
2019 (Estimated)	9,192	117,124	19,453,561

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000 Census Report, and 2006-2010 and 2015-2019 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Town of:						
Hastings	\$ 17,931	\$ 23,666	\$ 31,332	\$ 46,722	\$ 62,513	\$ 71,000
County of:						
Oswego	16,853	23,126	28,587	43,821	59,391	67,269
State of:						
New York	23,389	32,382	39,326	51,691	70,670	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau 2000 census report, and 2006-2010 and 2015-2019 5-Year American Community Survey data.

Larger Employers

The following is a list of the larger employers located within or in close proximity to the Town:

<u>Name</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Central Square Central School District	Public School	1,200
Wal-Mart Super Center	Retail Superstore	320
916 Riverside	Restaurant	35
Brewerton Speedway	Racetrack	25
Town of Hastings	Local Government	25
Syracuse Utilities	Underground Cable Installation	20
Design Concepts	Hospital Supplies (Needles)	20
Robinson Concrete	Masonry	15
Jon T. Rich Construction	Construction	10
Mobile Gas Station	Convenience Store	10

Source: Town officials.

Unemployment Rate Statistics

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

	<u>Annual Averages</u>							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Oswego County	10.1%	8.1%	7.2%	6.6%	6.4%	5.5%	5.2%	8.9%
New York State	7.8%	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

	<u>2020-21 Monthly Figures</u>												
	<u>2020</u>											<u>2021</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>	<u>Jun</u>
Oswego County	11.4%	11.7%	8.8%	6.0%	5.7%	6.1%	7.0%	8.0%	8.2%	7.5%	N/A	N/A	N/A
New York State	14.8%	14.8%	11.6%	9.9%	8.3%	8.3%	8.5%	9.4%	9.7%	8.5%	N/A	N/A	N/A

Note: Figures for April and May of 2021 are not available as of the date of this Official Statement. Due to the impact of the COVID-19 pandemic, unemployment rates since April 2020 have been substantially higher than for previous periods and unemployment rate are expected to remain higher for the foreseeable future.

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

Form of Town Government

The chief executive officer and the chief fiscal officer of the Town is the Supervisor who is elected to a term of two years. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to four-year terms. There is no limitation as to the number of terms which may be served by members of the Town Board.

The Town appoints its Assessor who serves a six-year term. The Town appoints the Town Attorney, whose term is fixed by Town law. The Town elects the Town Clerk and Highway Superintendent.

Financial Organization

The Supervisor is the chief fiscal officer of the Town. The Supervisor is responsible for all appropriation expenses, signing checks and auditing all claims against the Town.

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.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (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) Repurchase agreements are permitted to the extent that all repurchase agreements must be entered into subject to a Master Repurchase Agreement with collateral held by a third party bank, (6) obligations issued, or fully insured or guaranteed as to the payment of principal in interest, by the United States of America, or (7) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporations of the State of New York.

Budgetary Procedures

The Supervisor is the Budget Officer of the Town. The Budget Officer prepares a preliminary budget each year, pursuant to various 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. The budget is not subject to referendum.

State Aid

The Town receives financial assistance from the State. In its budget for the 2021 fiscal year, approximately 10.26% of the General Fund revenues of the Town are estimated to be received in the form of State aid, with real property taxes accounting for 68.23% of total General Fund revenues.

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. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town during its current fiscal year as well as in the future, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also Risk Factors).

Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and some businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including municipalities and school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, including the Town (See “MARKET AND RISK FACTORS – COVID-19” herein).

Employees

The Town currently employs approximately 13 full-time and 9 part-time employees. There is one collective bargaining organization representing Town employees as follows:

<u>Number Represented</u>	<u>Unit</u>	<u>Contract Expiration Date</u>
10	S.E.I.U. Local 200 United	December 31, 2022

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”), The ERS is generally also known as the “Common Retirement Fund”. The ERS is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The ERS 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 ERS.

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% 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 contributions to ERS since 2016 are as follows:

<u>Year</u>	<u>ERS</u>
2016	\$ 131,776
2017	137,430
2018	130,875
2019	130,875
2020	129,046
2021 (Budgeted)	130,150

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding.

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

A chart of average ERS and PFRS rates (2017 to 2021) is shown below:

<u>Year</u>	<u>ERS</u>
2017	15.5%
2018	15.3
2019	14.9
2020	14.6
2021	14.6

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. 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

Healthcare Benefits. It should be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the Town, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

OPEB. 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. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires towns to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required towns to calculate and report a net OPEB obligation. However, under GASB 45 towns could amortize the OPEB liability over a period of years, whereas GASB 75 requires towns to report the entire OPEB liability on the statement of net position.

The Town evaluated the costs and benefits of adopting GASB 45 and determined that the cost outweighs the benefit. Therefore, the Town has continued to recognize OPEB costs on a pay-as-you-go basis, which is not in accordance with generally accepted accounting principles. The amount that would be recorded in the long-term debt account group had GASB 75 been adopted is not known. The Town has not elected to adopt GASB 75, and does not intend to do so in the foreseeable future.

Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The Audited Financial report for fiscal year ended December 31, 2019 is available and attached hereto as "APPENDIX – E" to this Official Statement. Certain summary financial information may also be found in the Appendices to this Official Statement. The Audited Financial Report for the fiscal year ended December 31, 2020 is in progress and is not complete as of the date of this Official Statement.

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

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

Bonadio & Co., LLP, the independent auditor for the Town, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Bonadio & Co., LLP also has not performed any procedures relating to this Official Statement.

Recent New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the County has complied with the requirements of various State and Federal statutes. These audits can be searched on the official website of the Office of the New York State Comptroller.

There are no recent State Comptroller's audits of the Town, nor are there any that are currently in progress or pending release.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the five most recent available fiscal years of the Town are as follows:

<u>Fiscal Year Ended</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	8.3
2018	No Designation	11.7
2017	No Designation	11.7
2016	No Designation	17.9
2015	No Designation	19.2

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

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

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 procedure for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

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

The fiscal year of the Town is the calendar year.

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

TAX INFORMATION

Taxable Assessed Valuations

For Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Valuation	\$ 436,530,613	\$ 441,714,792	\$ 445,490,704	\$ 448,328,741	\$ 447,106,610
NYS Equalization Rate	93.00%	91.00%	91.00%	84.00%	100.00%
Full Valuation	\$ 469,387,756	\$ 485,400,870	\$ 489,550,224	\$ 533,724,692	\$ 447,106,610

Note: The Town conducted a revaluation in 2021, with the first impact of such to occur for the 2022 fiscal year.

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Town	\$ 5.28	\$ 5.17	\$ 5.26	\$ 5.36	\$ 5.39

Note: The Town conducted a revaluation in 2021, with the first impact of such to occur for the 2022 fiscal year.

Source: Town officials.

Tax Collection Procedure

Town and County taxes are due and payable to the Receiver of Taxes January 1st, and can be paid without penalty to January 31st. For the month of February, a fee of 1% is added; March 2.0%. Unpaid taxes are returned to the County on April 1st. The Town retains the total amount of Town, Highway and Special District Levies from the total collection and returns the balance plus the uncollected items to the County, which assumes responsibility.

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

Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy ⁽¹⁾	\$ 2,798,175	\$ 2,762,757	\$ 2,857,515	\$ 2,910,810	\$ 2,936,512
Uncollected ⁽²⁾	0	0	0	0	0
% Collected	100%	100%	100%	100%	100%

⁽¹⁾ Includes County, Town, Fire, Lighting, Water and Sewer District taxes. See "Tax Collection Procedure" herein.

⁽²⁾ The Town receives any unpaid taxes from the County; see "Tax Collection Procedure" herein.

Source: Town officials.

Larger Taxpayers – 2020 Assessment Roll for 2021 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$ 10,814,542
Wal-Mart Super Store ⁽¹⁾	Retail Superstore	9,000,000
Pittsford Capitol	Mobile Home Park	2,812,610
CSX Transportation	Railroad	1,901,054
Primax Properties	Retail	1,638,455
East Coast Properties	Apartment Complex	1,600,000
Buckeye Terminals	Gas Storage	1,572,900
Central Square Seniors	Apartment Complex	1,477,100
Conifer Meadows	Apartment Complex	1,465,200
Lyndon Lawn	Senior Mobile Home Park	1,450,400

(1) Wal-Mart Super Store is currently seeking to reduce its assessment. The outcome is currently unknown.

The ten largest taxpayers listed above have a total assessed valuation of \$33,732,261, which represents 7.54% of the Town's total tax base for the 2021 fiscal year. As of the date of this Official Statement, the Town does not have any pending or outstanding tax certioraris that are known or expected could have a material impact on the finances of the Town, apart from as noted above.

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 assessed valuation, the assessment roll of the Town is constituted approximately as follows: 85% Residential and 15% Commercial.

The total property tax bill of an average home assessed at \$114,109 residential property located in the Town is approximately \$4,068 including County, Town, Fire District and School District taxes (does not include STAR exemption).

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to 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 to expire on June 15, 2020 unless extended; recent legislation has made it 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 would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent (60%) vote of the total voting strength of such body, a local law (or resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System and the Teachers' Retirement System. 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 tax 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 the Tax Levy Limitation Law, it is clear that no statute is able (a) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (b) 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.

Certain additional restrictions on the amount of the 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 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 tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of government 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 and school 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 tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected school districts and municipal units of government, 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 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 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.

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.

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 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 and case 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 obligation indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 15,315,382	\$ 16,061,742	\$ 15,274,800	\$ 14,830,331	\$ 14,035,258
Installment Purchase Debt	12,687	0	0	0	0
Bond Anticipation Notes	<u>3,994,500</u>	<u>2,800,000</u>	<u>2,975,000</u>	<u>2,950,000</u>	<u>2,915,000</u>
Total Debt Outstanding	\$ 19,322,569	\$ 18,861,742	\$ 18,249,800	\$ 17,780,331	\$ 16,950,258

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Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of June 9, 2021.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2048	\$ 13,927,546
<u>Bond Anticipation Notes</u>		
WWTP Expansion	July 1, 2021	<u>2,915,000</u> ⁽¹⁾
	Total Debt Outstanding	\$ 16,842,546

⁽¹⁾ To be partially redeemed and renewed with the proceeds of the Notes and \$35,000 available funds of the Town.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 9, 2021:

Five-Year Average Full Valuation of Taxable Real Property	\$ 485,034,030
Debt Limit 7% thereof.....	33,952,382

Inclusions:

Bonds ⁽¹⁾	\$ 13,927,546
Bond Anticipation Notes	<u>2,915,000</u>
Total Inclusions.....	\$ 16,842,546

Exclusions:

Water Debt ⁽²⁾	\$ 7,641,705
Sewer Indebtedness ⁽³⁾	0
Appropriations ⁽⁴⁾	<u>247,584</u>
Total Exclusions.....	<u>\$ 7,889,289</u>

Total Net Indebtedness	<u>\$ 8,953,257</u>
Net Debt-Contracting Margin.....	<u>\$ 24,999,125</u>
The percent of debt contracting power exhausted is	26.37%

- ⁽¹⁾ Includes \$2,326,000 bonds expected to be refunded with the proceeds of refunding bonds which are expected to be issued on June 30, 2021.
- ⁽²⁾ Excluded pursuant to Section 124.10 of the Local Finance Law.
- ⁽³⁾ Excluded pursuant to Section 136.00 of the Local Finance Law. The Town currently does not have sewer debt exclusions authorized by the New York State Office of the State Comptroller.
- ⁽⁴⁾ 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.

Cash Flow Borrowings

The Town has not issued revenue anticipation notes or tax anticipation notes in the recent past, and does not reasonably expect to issue such notes in the foreseeable future.

Authorized but Unissued Items

The Town adopted a bond resolution on March 11, 2016 authorizing the reconstruction of additions to and equipping of a wastewater treatment plant and sewer lines and improvements at a maximum cost of \$3,000,000. The Town issued \$2,800,000 bond anticipation notes for the aforementioned purpose on July 6, 2016 and renewed them in full on July 6, 2017. The Town issued \$2,975,000 bond anticipation notes on July 3, 2018, which, along with a \$25,000 principal reduction, renewed a \$2,795,000 portion of outstanding bond anticipation notes and provide \$200,000 in additional new money for the project. The Town issued \$2,975,000 bond anticipation notes on July 2, 2019, which, along with a \$25,000 principal reduction, renewed \$2,975,000 of previously outstanding bond anticipation notes. The Town issued \$2,915,000 bond anticipation notes on July 1, 2020, which, along with a \$35,000 principal reduction, renewed \$2,950,000 bond anticipation notes that matured July 2, 2020. The proceeds of the Notes, along with \$35,000 available funds of the Town, will partially redeem and renew the \$2,915,000 bond anticipation notes maturing on July 1, 2021.

On June 13, 2017, the Town Board adopted a resolution authorizing a project consisting of the construction of new water main extensions and other related facilities designed to provide municipal water service to certain areas with no public water facilities which are within the existing Route 11 North/Fuller Road Water District commonly known as “Phase E improvements” at a maximum estimated cost of \$17,140,000, and the issuance of up to of \$17,140,000 or such lesser amount as may be necessary, of serial bonds or bond anticipation notes of the Town. The Town has been awarded a \$3,000,000 Water Infrastructure Improvement Act (WIIA) grant, which is administrated through NYSEFC; a \$2,750,000 USDA-RD grant and a \$11,390,000 long term USDA-RD loan. The Town currently closed short term with NYSEFC’s Drinking Water State Revolving Fund (DWSRF) program on April 11, 2019, to pre-finance the USDA-RD loan. As of the date of this Official Statement, only WIIA grant funds in the amount of \$385,753.02 have been disbursed. As of the date of this Official Statement, the Town has started to request disbursement from NYSEFC in connection with the Phase E improvements.

The Town has no other capital project plans authorized nor are there any additional capital projects contemplated at this time.

Municipal Cooperation Agreement

On July 25, 2013, the Town entered into a Municipal Cooperation Agreement (the “Agreement”) with the Town of West Monroe (“West Monroe”) for the construction of waste-water treatment plant improvements, financing of said improvements, and sewer service once construction is complete. The initial term of this Agreement is for a period of 33 years and shall continue for renewal periods of 10 years each unless either party shall have served a duly authorized written notice upon the Chief Executive of the other party of its intent not to continue the agreement beyond the next succeeding termination date. Written notice must be served not less than 2 years prior to the end of the then current term or renewal term. West Monroe is the lead agency and is responsible for all construction and has obtained financing. The Town is currently accepting sewage flow from West Monroe, and West Monroe is paying \$123,000 per year for treatment.

Title to all property will be the property of the municipality in which it is located. Operation and maintenance of the improvements remain with West Monroe.

In connection with the Agreement, the Town has doubled the size of the Ft. Brewerton Wastewater Treatment Plant at a cost of approximately \$2.8 million. West Monroe has removed its Wastewater Treatment Plant and will pump its sewage to the Town for treatment.

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Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town.

<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>Applicable Indebtedness</u>
County of:						
Oswego	12/31/2019	\$ 5,002,581	\$ 667,581 ⁽²⁾	\$ 4,335,000	7.91%	\$ 342,899
School District:						
Central Square	6/30/2020	48,411,892	42,215,170 ⁽³⁾	6,196,722	32.43%	<u>2,009,597</u>
					Total:	<u>\$ 2,352,496</u>

Notes:

- ⁽¹⁾ Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
- ⁽²⁾ Water and sewer debt and appropriations.
- ⁽³⁾ Estimated State building aid based on current aid ratio.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 and 2020.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 3, 2021.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary").....	\$ 8,953,257	\$ 974.03	2.00%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	11,305,753	1,229.96	2.53

- ^(a) The 2020 estimated population of the Town is 9,192. (See "THE TOWN – Population Trends" herein.)
- ^(b) The Town's full value of taxable real estate for the 2021 tax roll is \$447,106,610. (See "Taxable Assessed Valuations" herein.)
- ^(c) The Town's estimated applicable share of net underlying indebtedness is \$2,352,496. (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 the Notes to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

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

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

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

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

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

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

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

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

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

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

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

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

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

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

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance, nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

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

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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.

On April 22, 2019 the NYSDOT released a preliminary Draft Design Report/Environmental Impact Statement (“DEIS”) for the Interstate 81 Viaduct Project. Pursuant to the DEIS, NYSDOT determined that a community grid alternative will best meet the objectives of the project. Representatives of the Town of Salina have publicly expressed their opposition to the community grid design. Specifically, representatives of the Town Board, as well as local business owners, have expressed their concern that the proposed grid design may divert traffic away from the Town, causing a negative impact on local hotels, restaurants and other businesses. Depending on the final alternative selected by NYSDOT, the I-81 Challenge could have a significant material adverse impact on the Town’s economy and finances.

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 bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to the 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).

COVID-19. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread globally, including the United States, and to New York State, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide.

The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added “disease outbreak” to the definition of “disaster” (which already includes “epidemic”) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020.

Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

While the outbreak of COVID-19 might affect revenue streams supporting revenue bond debt of some public authorities, as compared to general obligation debt, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same.

The degree of any such impact to the Town’s operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Town and its economy. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Town will enter into an “Undertaking to Provide Notice of Material Events”, as described in “APPENDIX – C” to this Official Statement”.

Historical Compliance

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

The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2018 within the timeline stated in the Town’s prior undertaking agreements. A material event notice was filed to EMMA to disclose said failure to file on January 9, 2020.

TAX MATTERS

In the opinion of Trespasz & Marquardt, 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 and 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. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

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. 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) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

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.

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 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 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.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be substantially in the form attached hereto as "APPENDIX – D".

LITIGATION

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

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

RATINGS

The Notes are not rated. Subject to the approval of the Town, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Town, such as a rating action that may require the filing of a material event notification to EMMA and/or the provision of a supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P Global") has assigned its underlying rating of "A+" with a "stable outlook" to its recently issued Public Improvement Refunding Bonds, 2021. A rating reflects only the view of the rating agency assigning such rating, and any desired explanation of the significance of such rating should be obtained from S&P Global, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

The Town's contact information is as follows: Tony Bush, Town Supervisor, 1134 US Route 11, Central Square, New York 13036. Phone: (315) 668-2543, Fax: (315) 668-8392, Email: tonybush@hastingsny.org.

TOWN OF HASTINGS

Dated: June 9, 2021

TONY BUSH
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 777,008	\$ 683,477	\$ 768,547	\$ 477,802	\$ 1,022,500
Accounts Receivable	34,619	86,130	82,466	111,686	90,386
Due from Other Funds	6,058	5,529	5,745	362,804	232,879
Restricted Assets	-	-	-	-	-
Prepaid Expense	5,778	-	13,556	80,981	13,002
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$ 823,463</u></u>	<u><u>\$ 775,136</u></u>	<u><u>\$ 870,314</u></u>	<u><u>\$ 1,033,273</u></u>	<u><u>\$ 1,358,767</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	37,758	8,128	46,703	65,153	50,784
Accrued Liabilities	179	281	343	143	375
Due to Other Funds	-	-	10,625	44,314	96,569
Deferred Revenue	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u><u>\$ 37,937</u></u>	<u><u>\$ 8,409</u></u>	<u><u>\$ 57,671</u></u>	<u><u>\$ 109,610</u></u>	<u><u>\$ 147,728</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 5,778	\$ -	\$ 13,556	\$ 80,981	\$ 13,002
Comitted	348,164	348,164	174,999	168,999	168,999
Assigned	-	-	-	33,000	43,000
Unassigned	431,584	418,563	624,088	640,683	986,038
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	<u><u>\$ 785,526</u></u>	<u><u>\$ 766,727</u></u>	<u><u>\$ 812,643</u></u>	<u><u>\$ 923,663</u></u>	<u><u>\$ 1,211,039</u></u>
 TOTAL LIABILITIES and FUND EQUITY	 <u><u>\$ 823,463</u></u>	 <u><u>\$ 775,136</u></u>	 <u><u>\$ 870,314</u></u>	 <u><u>\$ 1,033,273</u></u>	 <u><u>\$ 1,358,767</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 512,566	\$ 523,658	\$ 607,179	\$ 590,820	\$ 533,083
Non-Property Tax Items	377,944	364,380	346,143	402,568	534,893
Departmental Income	120,262	117,465	46,964	67,690	20,400
Use of Money & Property	77,958	79,138	80,946	90,025	1,499
Licenses and Permits	3,849	4,341	2,797	4,024	3,891
Fines and Forfeitures	153,186	154,110	149,550	117,774	133,994
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	2,287	-	29	44,533	-
Revenues from State Sources	54,295	64,853	167,835	187,373	159,041
Revenues from Federal Sources	-	-	-	-	53,908
Total Revenues	<u>\$ 1,302,347</u>	<u>\$ 1,307,945</u>	<u>\$ 1,401,443</u>	<u>\$ 1,504,807</u>	<u>\$ 1,440,709</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 741,792	\$ 615,485	\$ 702,260	\$ 691,776	\$ 485,041
Public Safety	22,363	17,992	122,253	19,730	22,287
Health	-	-	-	-	-
Transportation	72,808	69,332	66,766	67,543	126,871
Economic Assistance and Opportunity	-	-	-	-	2,545
Culture and Recreation	64,634	53,917	60,701	139,661	68,834
Home and Community Services	3,000	500	500	500	263,525
Employee Benefits	193,389	198,634	189,868	179,155	165,307
Debt Service	-	51,836	-	-	-
Total Expenditures	<u>\$ 1,097,986</u>	<u>\$ 1,007,696</u>	<u>\$ 1,142,348</u>	<u>\$ 1,098,365</u>	<u>\$ 1,134,410</u>
Excess of Revenues Over (Under) Expenditures	<u>204,361</u>	<u>300,249</u>	<u>259,095</u>	<u>406,442</u>	<u>306,299</u>
Other Financing Sources (Uses):					
Operating Transfers In	110,279	-	-	-	4,721
Operating Transfers Out	<u>(207,786)</u>	<u>(438,935)</u>	<u>(277,894)</u>	<u>(360,526)</u>	<u>(200,000)</u>
Total Other Financing	<u>\$ (97,507)</u>	<u>\$ (438,935)</u>	<u>\$ (277,894)</u>	<u>\$ (360,526)</u>	<u>\$ (195,279)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>106,854</u>	<u>(138,686)</u>	<u>(18,799)</u>	<u>45,916</u>	<u>111,020</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	817,358	924,212	785,526	766,727	812,643
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 924,212</u></u>	<u><u>\$ 785,526</u></u>	<u><u>\$ 766,727</u></u>	<u><u>\$ 812,643</u></u>	<u><u>\$ 923,663</u></u>

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

GENERAL FUND

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

Fiscal Years Ending December 31:

	2019			2020	2021
	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 549,505	\$ 549,505	\$ 553,889	\$ 562,455	\$ 598,820
Non-Property Tax Items	362,000	362,000	571,726	65,000	65,000
Departmental Income	47,500	47,500	23,051	17,500	14,500
Use of Money & Property	1,250	1,250	4,415	1,500	2,000
Licenses and Permits	22,500	22,500	3,571	3,500	2,300
Fines and Forfeitures	105,000	105,000	83,495	105,000	105,000
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	-	-	46,640	-	-
Revenues from State Sources	142,000	142,000	256,700	90,000	90,000
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 1,229,755</u>	<u>\$ 1,229,755</u>	<u>\$ 1,543,487</u>	<u>\$ 844,955</u>	<u>\$ 877,620</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 486,132	\$ 486,132	\$ 487,515	\$ 536,058	\$ 579,805
Public Safety	21,400	21,400	16,838	19,400	19,400
Health	2,500	2,500	-	2,500	2,500
Transportation	102,100	102,100	96,536	99,540	102,040
Economic Assistance and Opportunity	3,000	3,000	-	1,000	1,000
Culture and Recreation	82,200	82,200	44,543	81,450	101,450
Home and Community Services	181,893	181,893	264,994	1,250	-
Employee Benefits	193,530	193,530	145,685	136,757	104,425
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 1,072,755</u>	<u>\$ 1,072,755</u>	<u>\$ 1,056,111</u>	<u>\$ 877,955</u>	<u>\$ 910,620</u>
Excess of Revenues Over (Under) Expenditures	<u>157,000</u>	<u>157,000</u>	<u>487,376</u>	<u>(33,000)</u>	<u>(33,000)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(43,000)</u>	<u>(43,000)</u>	<u>287,376</u>	<u>(33,000)</u>	<u>(33,000)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	43,000	43,000	923,663	33,000	33,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,211,039</u>	<u>\$ -</u>	<u>\$ -</u>

Source: 2019 Audited Financial Statements and budgets (unaudited) of the Town.
This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2021	\$ 773,926	\$ 99,661	\$ 873,587
2022	750,933	92,278	843,210
2023	741,373	84,710	826,084
2024	747,752	77,700	825,452
2025	657,637	70,558	728,195
2026	661,408	67,178	728,586
2027	649,178	64,255	713,433
2028	654,943	61,724	716,667
2029	659,712	59,093	718,805
2030	665,482	56,395	721,877
2031	671,253	53,598	724,851
2032	677,023	50,700	727,723
2033	682,789	47,703	730,492
2034	689,559	44,605	734,164
2035	626,077	41,375	667,452
2036	630,848	38,045	668,893
2037	637,613	34,648	672,261
2038	296,420	31,118	327,538
2039	301,190	28,721	329,911
2040	305,960	26,258	332,218
2041	311,726	23,726	335,452
2042	317,496	21,094	338,590
2043	322,267	18,360	340,627
2044	132,682	15,559	148,241
2045	136,231	12,656	148,887
2046	139,780	9,653	149,433
2047	95,000	6,548	101,548
2048	99,000	3,341	102,341
TOTALS	\$ 14,035,258	\$ 1,241,256	\$ 15,276,514

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 or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation 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 Commission 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), 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 has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the material event notices described above, if any, on or before the date specified.

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

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Town 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 Notes to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

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

FORM OF BOND COUNSEL'S OPINION

June 30, 2021

Town of Hastings
1134 US Rt. 11
Central Square, New York 13036

Re: Town of Hastings, Oswego County, New York
\$2,880,000 Bond Anticipation Notes, 2021 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$2,880,000 Bond Anticipation Notes, 2021 (Renewals) (the "Notes"), of the Town of Hastings, Oswego County, New York, State of New York (the "Town"). The Notes are being issued pursuant to the Constitution and laws of the State of New York, including the Town Law, Local Finance Law and a Resolution of the Town adopted on March 11, 2016 and a certificate of Determination dated the date hereof of the Town Supervisor relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the Town is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to certain statutory limitations. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The Town Supervisor of the Town, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the Town delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificate and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the Town. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the Town would materially affect the ability of the Town to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the Town, in connection with the sale of the Notes, 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 light of the circumstances under which they were made, not misleading.

We have examined the Note, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

TOWN OF HASTINGS

AUDITED FINANCIAL REPORT

Fiscal Year Ended December 31, 2019

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

TOWN OF HASTINGS, NEW YORK

**Financial Statements as of
December 31, 2019**

**Together with Independent Auditor's Report and
Report Required by *Government Auditing Standards***

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF HASTINGS, NEW YORK

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TOWN OF HASTINGS, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

August 17, 2020

To the Town Board of the
Town of Hastings, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Hastings, New York (the Town), as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the 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 of Hastings, New York as of December 31, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other 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 combining balance sheets - water fund - districts and sewer fund - districts and the combining statements of revenue, expenditures and change in fund balances - water fund - districts and sewer fund - districts (combining financial statements) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements referred to above have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2020, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

TOWN OF HASTINGS, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2019

Management of the Town of Hastings, New York (the Town), provides this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2019.

We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of Hastings financial statements, which begin on page 8.

General Overview:

Statement of Net Position and Statement of Activities

Our analysis of the Town as a whole begins on page 8. These statements include all assets, deferred outflows of resources, 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 revenue 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. Over time, increases or decreases in the Town's net position is one indicator of the financial position of the Town based on the condition of capital assets and long-term obligations.

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

The Fund financial statements begin on page 10 and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by New York State. Other funds are established by the Town Board to help control and manage money for particular purposes. All of the Town's funds are considered to be governmental funds focusing on how money flows in and out of these funds and the balances left at the end of the year that are available for spending. These funds are reported on a modified accrual accounting basis, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations.

The Town as a Whole:

Statement of Net Position

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents (including restricted)	\$ 1,607,534	\$ 1,233,142
Accounts receivable	90,386	111,686
Due from state and federal governments	84,334	-
Due from fiduciary fund	8,120	60,764
Prepaid expense	<u>23,741</u>	<u>-</u>
Total current assets	<u>1,814,115</u>	<u>1,405,592</u>
Noncurrent assets:		
Capital assets, net	<u>30,431,318</u>	<u>30,454,850</u>
Total noncurrent assets	<u>30,431,318</u>	<u>30,454,850</u>
Total assets	<u>32,245,433</u>	<u>31,860,442</u>
Deferred outflows of resources:		
Deferred outflows – pension related	<u>122,170</u>	<u>222,579</u>
Current liabilities:		
Accounts payable	173,541	105,218
Accrued liabilities	941	143
Due to fiduciary fund	-	3,070
Bond Anticipation Note payable	2,950,000	2,975,000
Due to other governments	-	329,636
Long-term obligations, current	<u>795,095</u>	<u>799,882</u>
Total current liabilities	<u>3,919,577</u>	<u>4,212,949</u>
Noncurrent liabilities:		
Long-term obligations, net current portion	<u>14,424,577</u>	<u>15,069,426</u>
Total noncurrent liabilities	<u>14,424,577</u>	<u>15,069,426</u>
Total liabilities	<u>18,344,154</u>	<u>19,282,375</u>
Deferred inflows of resources:		
Deferred inflows – pension related	<u>66,818</u>	<u>160,420</u>
Net position:		
Net investments in capital assets	12,651,101	11,865,166
Restricted	416,397	498,704
Unrestricted	<u>559,497</u>	<u>276,356</u>
Total Net Position	<u>\$ 13,626,995</u>	<u>\$ 12,640,226</u>

Statement of Activities

	<u>2019</u>	<u>2018</u>
Fees, fines and charges for services	\$ 738,464	\$ 586,320
Operating grants and contributions	1,129,052	352,197
General revenues	<u>3,518,534</u>	<u>3,380,162</u>
Total revenues	<u>5,386,050</u>	<u>4,318,679</u>
Expenses (by function):		
General government support	606,856	601,434
Public safety	762,941	752,915
Transportation	1,698,673	1,769,863
Economic assistance and opportunity	-	2,545
Culture and recreation	44,543	68,834
Home and community services	1,095,618	1,167,944
Interest on long-term debt	<u>190,650</u>	<u>149,671</u>
Total Expenses	<u>4,399,281</u>	<u>4,513,206</u>
Change in net position	986,769	(194,527)
Net Position, beginning of year	<u>12,640,226</u>	<u>12,834,753</u>
Net Position, end of year	<u>\$ 13,626,995</u>	<u>\$ 12,640,226</u>

Net position has increased in the current year by approximately \$987,000. This was due to the result of the change in fund balances of the governmental funds (as explained under the Fund Level Analysis) increased by approximately \$68,000 of accounts payable and decreased by approximately \$645,000 of changes in long-term liabilities and \$194,000 pension related deferred inflows and outflows.

Fund Level Analysis:

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund had an increase in fund balance of approximately \$287,000 from the prior year, resulting from revenues exceeding expenditures over the course of normal operations.

Capital Projects Fund had a decrease in fund balance of approximately \$87,000 from the prior year. This was a result of current year project expenditures financed by BANs.

Highway Fund had an increase in fund balance of approximately \$100,000 from the prior year, resulting from revenues exceeding expenditures over the course of normal operations.

The Fire Protections fund had a small decrease in fund balance of approximately \$1,120 from the prior year.

Water Fund had a increase in fund balance of approximately \$7,700, resulting from revenues exceeding expenditures over the course of normal operations.

The Sewer Fund had a decrease in fund balance of approximately \$39,000 from the prior year, due to operating expenditures exceeding sewer charges.

General Fund Budget:

Actual expenditures and transfers out were less than amount budgeted by approximately \$16,000 and the revenues were in excess of budgeted revenues by approximately \$271,000. The net change in fund balance was an increase of approximately \$287,000 for the year ended December 31, 2019.

Capital Assets:

Net capital assets were approximately \$30,445,000 at December 31, 2018 and approximately \$30,431,000 at December 31, 2019 with the difference of approximately \$24,000 being attributed to 2019 depreciation expense offset by current year additions.

Capital Indebtedness:

Long-term debt outstanding was \$15,869,308 at December 31, 2018 and \$15,219,672 at December 31, 2019, of which \$795,095 is due within one year.

Future Goals and Projects:

The Town has completed doubling the size of the Ft. Brewerton Wastewater Treatment Plant in 2017 at a cost of approximately \$2.8 million. West Monroe is connected to the WWTP and the Town is currently treating their effluent.

Sewer Ext. (Gildner Road/Elderberry Lane) - A pre-engineering study has been completed by an engineering firm to outline the future public sewer areas, but the project has not yet begun.

New York State Trooper Barracks – New York State Police have requested the Town to gift them with 4 acres so they could construct their own barracks at their cost. The State Police now own the property and are in the planning stage of construction of the building.

Overall, the Town utilizes Community Planning to fund the preliminary costs leading up to long-term funding commitments. The proceeds from the long-term funding commitments will be used to pay Community Planning.

Public Water (North Service Area)- The Town has been awarded approximately \$6M in grants and short and long-term funding for this project which makes it financially feasible and presently, the Town is moving forward with the project and anticipates construction to start prior to the end of the year. The Town has all approvals except USDA, Rural Development Engineer which should be received soon and the Town board has authorized bidding the project upon this approval.

Request for Information:

This financial report is designed to provide a general overview of the Town's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to Tony K. Bush, Town Supervisor at the Town of Hastings, 1134 U.S. Route 11, Central Square, NY 13036 or by email at hastingsspvclerk@hotmail.com.

TOWN OF HASTINGS, NEW YORK

Statement of Net Position

December 31, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,480,092
Cash and cash equivalents, restricted	127,442
Accounts receivable	90,386
Due from state and federal governments	84,334
Due from fiduciary fund	8,120
Prepaid expenses	23,741
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>30,431,318</u>
 Total assets	 <u>32,245,433</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension related	<u>122,170</u>
 LIABILITIES	
Accounts payable	173,541
Accrued liabilities	941
Bond anticipation note payable	2,950,000
Due to other governments	329,636
Long term obligations:	
Due within one year	795,095
Due in more than one year	<u>14,424,577</u>
 Total liabilities	 <u>18,673,790</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension related	<u>66,818</u>
 NET POSITION	
Net investment in capital assets	12,651,101
Restricted	416,397
Unrestricted	<u>559,497</u>
 Total net position	 <u>\$ 13,626,995</u>

The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

Statement of Activities

For the Year Ended December 31, 2019

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Fees, Fines and Charges	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
General government support	\$ 606,856	\$ 26,622	\$ 256,700	\$ (323,534)
Public safety	762,941	83,495	-	(679,446)
Transportation	1,698,673	241,904	130,322	(1,326,447)
Culture and recreation	44,543	-	-	(44,543)
Home and community services	1,095,618	386,443	742,030	32,855
Interest on long-term debt	190,650	-	-	(190,650)
Total governmental activities	<u>\$ 4,399,281</u>	<u>\$ 738,464</u>	<u>\$ 1,129,052</u>	<u>(2,531,765)</u>
General revenues:				
				2,862,013
				571,726
				8,311
				<u>76,484</u>
				<u>3,518,534</u>
				986,769
				<u>12,640,226</u>
				<u>\$ 13,626,995</u>

The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

**Balance Sheet
Governmental Funds
December 31, 2019**

		Capital		Fire Protection			Nonmajor	Total
	General Fund	Projects Fund	Highway Fund	Fund	Water Fund	Sewer Fund	Governmental	Governmental
							Fund	Funds
ASSETS								
Cash and cash equivalents	\$ 1,022,500	\$ -	\$ 157,995	\$ 48,723	\$ 145,417	\$ 104,571	886	\$ 1,480,092
Cash and cash equivalents, restricted	-	127,442	-	-	-	-	-	127,442
Accounts receivable	90,386	-	-	-	-	-	-	90,386
Due from state and federal governments	-	84,334	-	-	-	-	-	84,334
Due from other funds	232,879	84,828	64,780	-	3,216	177,311	-	563,014
Prepaid expenses	13,002	-	10,739	-	-	-	-	23,741
Total assets	<u>\$ 1,358,767</u>	<u>\$ 296,604</u>	<u>\$ 233,514</u>	<u>\$ 48,723</u>	<u>\$ 148,633</u>	<u>\$ 281,882</u>	<u>\$ 886</u>	<u>\$ 2,369,009</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 50,784	84,336	\$ 25,349	\$ -	\$ -	\$ 10,769	\$ 2,303	\$ 173,541
Accrued liabilities	375	-	394	-	-	172	-	941
Due to other funds	96,569	93,520	51,818	-	3,216	298,450	11,321	554,894
Bond anticipation note payable	-	2,950,000	-	-	-	-	-	2,950,000
Total liabilities	<u>147,728</u>	<u>3,127,856</u>	<u>77,561</u>	<u>-</u>	<u>3,216</u>	<u>309,391</u>	<u>13,624</u>	<u>3,679,376</u>
Fund balances:								
Nonspendable	13,002	-	10,739	-	-	-	-	23,741
Restricted	-	127,442	-	-	145,417	143,538	-	416,397
Committed	168,999	-	145,214	48,723	-	-	-	362,936
Assigned	43,000	-	-	-	-	-	-	43,000
Unassigned	986,038	(2,958,694)	-	-	-	(171,047)	(12,738)	(2,156,441)
Total fund balances	<u>1,211,039</u>	<u>(2,831,252)</u>	<u>155,953</u>	<u>48,723</u>	<u>145,417</u>	<u>(27,509)</u>	<u>(12,738)</u>	<u>(1,310,367)</u>
Total liabilities and fund balances	<u>\$ 1,358,767</u>	<u>\$ 296,604</u>	<u>\$ 233,514</u>	<u>\$ 48,723</u>	<u>\$ 148,633</u>	<u>\$ 281,882</u>	<u>\$ 886</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,431,318
Deferred outflows of resources are long-term in nature and therefore are not reported in the funds.	122,170
Long-term obligations, including long-term financing, fire service award obligations, net pension liability and compensated absences liabilities are not due and payable in the current period and therefore are not reported in the funds.	(15,219,672)
Due to other governments includes a long-term balance that is therefore not due and payable and not reported in the funds.	(329,636)
Deferred inflows of resources are long-term in nature and therefore are not reported in the funds.	(66,818)
	<u>\$ 13,626,995</u>

The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

Statement of Revenues, Expenditures and Change in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Capital Projects Fund	Highway Fund	Fire Protection Fund	Water Fund	Sewer Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES:								
Real property taxes	\$ 553,889	\$ -	\$ 962,035	\$ 739,395	\$ 576,694	\$ -	\$ 30,000	\$ 2,862,013
Non-property taxes	571,726	-	-	-	-	-	-	571,726
Departmental revenues	23,051	-	241,904	-	1,399	385,044	-	651,398
Use of money and property	4,415	19	2,061	-	1,431	385	-	8,311
Licenses and permits	3,571	-	-	-	-	-	-	3,571
Fines and forfeitures	83,495	-	-	-	-	-	-	83,495
State aid	256,700	742,030	130,322	-	-	-	-	1,129,052
Miscellaneous	46,640	-	21,553	-	-	-	-	68,193
Total revenues	1,543,487	742,049	1,357,875	739,395	579,524	385,429	30,000	5,377,759
EXPENDITURES:								
Current:								
General government support	487,515	-	-	-	-	-	-	487,515
Public safety	16,838	-	-	740,515	-	-	-	757,353
Transportation	96,536	-	1,099,217	-	-	-	-	1,195,753
Culture and recreation	44,543	-	-	-	-	-	-	44,543
Home and community services	264,994	755,098	-	-	77,360	155,677	28,937	1,282,066
Employee benefits	145,685	-	226,967	-	-	1,735	-	374,387
Debt Service:								
Principal	-	-	114,775	-	409,630	260,062	-	784,467
Interest	-	81,832	16,625	-	84,824	7,369	-	190,650
Total expenditures	1,056,111	836,930	1,457,584	740,515	571,814	424,843	28,937	5,116,734
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	487,376	(94,881)	(99,709)	(1,120)	7,710	(39,414)	1,063	261,025
OTHER FINANCING SOURCES (USES):								
Premium on BAN issuance	-	8,291	-	-	-	-	-	8,291
Operating transfers in	-	-	200,000	-	-	-	-	200,000
Operating transfers out	(200,000)	-	-	-	-	-	-	(200,000)
Total other financing sources (uses) - net	(200,000)	8,291	200,000	-	-	-	-	8,291
NET CHANGE IN FUND BALANCES	287,376	(86,590)	100,291	(1,120)	7,710	(39,414)	1,063	269,316
FUND BALANCES AT BEGINNING OF YEAR	923,663	(2,744,662)	55,662	49,843	137,707	11,905	(13,801)	(1,579,683)
FUND BALANCES AT END OF YEAR	\$ 1,211,039	\$ (2,831,252)	\$ 155,953	\$ 48,723	\$ 145,417	\$ (27,509)	\$ (12,738)	\$ (1,310,367)

The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2019

Net changes in fund balances - total governmental funds	\$	269,316
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report all capital outlays as expenditures. However, in the Statement of Activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays net of disposals and depreciation expense.	(23,532)
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In the governmental funds, pension related transactions are recorded as an expenditure when due. In the Statement of Net Position, long-term liabilities are accrued for. These are the effects of the changes in the net pension obligation in the Statement of Net Position and prepaid expenditures related to pension in the governmental funds:

Change in net pension obligation	(112,513)
Change of prepaid expenditures related to pension obligations	98,156

In the governmental funds, pension related transactions are recorded as an expenditure when due. In the Statement of Net Position, long-term liabilities are accrued. These are the effects of the changes in deferred outflows and deferred inflows related to pensions:

Change in deferred outflows of resources related to pension obligations	93,602
Change in deferred inflows of resources related to pension obligations	(100,409)

Long-term financing is reported as financing sources in the governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, fire service award obligations liability does not require the use of current financial resources and therefore are reported as expenditures when due in governmental funds. Increases to fire service award obligations are reported as an expense in the Statement of Activities. This is the amount by which long-term financing and fire service award obligations changed in the current year.	<u>762,149</u>
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Change in net position of governmental activities	<u>\$</u>	<u>986,769</u>
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The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

Statement of Net Position - Fiduciary Funds
December 31, 2019

	Length of Service Award Program Trust Fund	Agency
ASSETS:		
Restricted cash	\$ -	\$ 116,926
Due from other funds	-	10,625
Fair market value of investments	<u>612,175</u>	<u>-</u>
Total assets	<u>612,175</u>	<u>127,551</u>
LIABILITIES:		
Accounts payable	-	108,824
Due to other funds	<u>-</u>	<u>18,745</u>
Total liabilities	<u>-</u>	<u>\$ 127,569</u>
NET POSITION:		
Held in trust	<u>\$ 612,175</u>	

Statement of Change in Net Position - Fiduciary Funds
For the Year Ended December 31, 2019

	Length of Service Award Program Trust Fund
ADDITIONS:	
Sponsor contributions	\$ 63,830
Increase in market value of investments	<u>23,636</u>
Total additions	<u>87,466</u>
DEDUCTIONS:	
Plan benefit withdrawals	<u>191,903</u>
Total deductions	<u>191,903</u>
Change in net position	(104,437)
Total net position - beginning of year	<u>716,612</u>
Total net position - end of year	<u>\$ 612,175</u>

The accompanying notes are an integral part of these statements.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hastings, New York (the Town) is governed by the general laws of the State of New York and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operations of the Town, consists of the elected Town Supervisor and four Councilors. The Town Supervisor serves as chief executive officer and chief financial officer of the Town. The Town provides services of general government, public works, public safety, recreation, community enrichment, and highway maintenance and repair.

The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (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 accounting and reporting framework and other significant accounting policies are described below.

Financial Reporting Entity

The Town is governed by its charter, Town Law, other general laws of the State of New York and various local laws. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four members. The Town provides the following basic services to all or some residents of the Town: street lighting, water, debris removal, snowplowing, street repair, and fire protection.

The financial reporting entity consists of (a) the primary government which is the Town, (b) organizations for which the primary government is financially accountable, and (c) 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 as set forth in generally accepted accounting principles.

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. Based on the application of these criteria, the Town has determined there are no other organizations that meet criteria for inclusion in the reporting entity of the Town.

A. Basis of Presentation

Government-wide Financial Statements :

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The Town's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. General revenues support all activities and programs. All taxes are considered general revenues.

Fund Financial Statements :

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balances, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary, of which the Town has governmental and fiduciary funds. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Town or the total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, or the fund is of particular importance to the financial statements for reasons such as public interest or consistency.

The funds of the financial reporting entity are described below:

Governmental Fund Types

General Fund

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in another fund.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes and federal aid.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are used to fund expenditures for specified purposes, other than capital projects.

Fiduciary Fund Types:

Trust and Agency Funds

The Length of Service Award Program Trust Fund is used to report resources that are required to be held in trust for the members and beneficiaries of the Town Fire Department's Length of Service Award Program.

The Agency Fund is used to account for money received and held by the Town acting as an agent with only custodial responsibility in which an asset and liability are recorded in equal amounts.

Major Funds

The funds are further classified as major or non-major funds. Major funds are as follows:

- General Fund - See above for description.
- Capital Projects Fund - See above for description.
- Special Revenue Funds:

Highway Fund - This fund is used to account for maintenance of the Town's streets and highways.

Fire Protection Fund - This fund is used to account for the Town's fire department and its operations.

Water Fund - This fund is used to account for the maintenance of the Town's water lines.

Sewer Fund - This fund is used to account for the maintenance of the Town's sewer lines.

Non-Major Fund

- Special Lighting Fund - This fund is used to account for maintenance of street lights.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the Statement of Net Position and Statement of Activities, both the governmental activities and fiduciary funds are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, liabilities, and deferred outflows and inflows associated with their activities (whether current or noncurrent) are reported.

In the fund financial statements, the current financial resources measurement focus is used for all governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the Statement of Net Position and Statement of Activities, both the governmental activities and fiduciary funds are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows and inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough to pay liabilities of the current period. For this purpose, the Town generally considers most revenues to be available if they are collected by year-end, while property taxes are considered available if collected within sixty days. Expenditures (including capital outlays) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported when due.

C. Cash and cash equivalents

Cash and cash equivalents include demand deposit accounts and money market accounts. Restricted cash includes amounts held on behalf of others in the Agency Fund and cash restricted in the Capital Projects Fund.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements

December 31, 2019

D. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year end and not yet received. Major receivable balances for the governmental activities include grants, property taxes, and intergovernmental receivables.

In the fund financial statements, receivables in governmental funds include grants, property taxes, and intergovernmental receivables. Interest earnings are recorded when they are considered both measurable and available.

Management believes an allowance for doubtful accounts is not required.

E. Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources and deferred outflows of resources. These balances relate to pension obligations as further explained in Note 8.

F. Capital Assets

Capital assets are defined by the Town as assets with an initial cost of more than \$5,000 and a useful life of 3 or more years. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A mid-month convention is used in the depreciation calculation. Specifically, one-half month's depreciation is calculated in the first month the asset is acquired and in the last month of the asset's useful life. A full month's depreciation is calculated in all intervening months. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Land Improvements / Infrastructure	5-65 years
Vehicles / Equipment	5-10 years

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Material bond premiums and discounts are deferred and amortized over the life of the bond. When applicable, bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements governmental fund types recognize bond premiums and discounts as revenues and expenditures during the current period. Long-term debt is not reported as a liability of the governmental funds and any debt issued is reported as an other financing source in the Statement of Revenues, Expenditures and Change in Fund Balances. Payments of principal and interest on general long-term debt are recognized when paid, as an expenditure.

H. Equity Classifications

Government-wide statements

Equity is classified as net position and displayed in the following components:

- a. Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – see definition below under Fund Financial Statements.
- c. Unrestricted - remaining net position that does not meet the definition of “net investment in capital assets” or restricted net position.

Fund Financial Statements

Governmental fund balances are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. When funds from more than one classification may be used to satisfy an expenditure, the Town's policy is to utilize funds with the strongest spending constraints first.

- a. Non-spendable fund balance - amounts that are not in a spendable form or are required to be maintained intact. Non-spendable fund balances are prepaid expenditures.
- b. Restricted fund balance - amounts that are restricted as to the use of the resources by externally imposed creditors through debt covenants, grantors, or laws and regulations. The sewer fund and water fund have restricted fund balances that are restricted for the purpose of those funds. The capital projects restricted fund balance is restricted for use in designated projects.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

c. Committed fund balance - amounts constrained to specific purposes by the Town itself, by vote of the Town Board, the Town's highest level of decision-making authority. The Town Board must approve the establishment, modification, or rescindment of any fund balance commitment. The general fund has a committed balance of \$168,999. The highway fund and fire protection fund have balances of \$145,214 and \$48,723 to be used for the purposes of those funds.

d. Assigned fund balance - amounts the Town intends to use for a specific purpose; intent for which must be expressed by the Town Board or department management. At December 31, 2019, assigned fund balance in the General Fund comprises \$43,000 for appropriated amounts in the 2019 budget.

e. Unassigned fund balance - amounts within the general fund that do not meet the definition of the above classification and are deemed to be available for general use by the Town. In addition, remaining negative fund balance for funds other than the General Fund is classified as unassigned fund balance.

I. Retirement

The Town provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State and Local Employees' Retirement System (ERS). The ERS computes the cost of retirement benefits based upon a fiscal year of April 1 to March 31.

J. Revenues and Expenses/Expenditures

Grants

For both the government-wide and fund financial statements, the Town follows the policy that an expense/expenditure of funds is the prime factor for determining the release of grant funds and revenue is recognized at the time of the expense/expenditure of funds in accordance with the measurement focus and basis of accounting. If release of grant funds is not contingent upon expense/expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

Property Taxes and Tax Abatement

The County of Oswego (the County) establishes the lien and levy dates for the collection of property taxes. The property taxes are due on January 31, and the Town has the responsibility to collect Town and County taxes through March 31. The Town is authorized to retain the property taxes collected to the extent of its entire levy. The County is responsible for the collection of delinquent taxes. Property taxes are recorded on the modified accrual basis within the governmental fund financial statements.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements

December 31, 2019

The Town has one tax abatement program with Central Square Seniors, L.P. (the Redeveloper) for the Central Square Senior Housing Project. Under the agreement entered into in 2011, the Redeveloper must limit rentals to tenants with limited income and will receive a 100% exemption from Village, Town, County and school taxes. Based on the current assessed value, the amount of Town taxes abated under the agreement for the year ended December 31, 2019, amounted to \$8,357. The Redeveloper will pay an annual amount in accordance with the following schedule:

Years 1 - 5: \$400 per unit or six percent of gross rents, whichever is greater.

Years 6 - 10: \$450 per unit or six percent of gross rents, whichever is greater.

Years 11 - 15: \$500 per unit or six percent of gross rents, whichever is greater.

The payments are made annually to the Village and then 35% of the payment is allocated to the Town. Revenue related to the agreement amounted to \$5,040 for the year ended December 31, 2019.

Other Revenues

In the fund financial statements, governmental funds record licenses and permits, certain charges for services, fines and forfeits, and miscellaneous revenues, including grants and contributions, on the cash basis because they are generally not measurable until actually received. In the government-wide financial statements, other revenues, if material, are recognized when earned.

Program Revenues

In the government-wide financial statements, program revenues include fees, fines, charges for services as well as grants. These revenues are allocated by governmental activity based upon the corresponding expense charged to the governmental activities.

Expenses/Expenditures

In the government-wide financial statements, expenses are classified by activity. Expenses are recognized when they are incurred. Direct expenses are those that are specifically associated with an activity and are clearly identifiable to a particular function.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by character:	Current (further classified by function)
	Debt service
	Other financing uses

In the fund financial statements, governmental funds report expenditures of financial resources. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Allocations of costs, such as depreciation, are not recognized.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, transfers are eliminated upon consolidation.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

K. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from these estimates.

3. CASH AND CASH EQUIVALENTS

Cash includes demand deposits and municipal money market accounts. The Town's investment policies authorize investments in:

- Certificates of deposit issued by a bank or trust company authorized to do business in New York State
- Time deposit accounts in a bank or trust company authorized to do business in New York State
- Obligations of New York State
- Obligations of the United States Government
- Obligations of federal agencies of the United States Government

All deposits with financial institutions must be collateralized in an amount equal to 102% of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to the obligations of the United States or any obligation fully insured as to the principal and interest by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York and must be held either by the financial institutions trust department or by a third party custodial bank. At year end, the carrying amount of the Town's deposits was approximately \$1,724,460 and the bank balance was approximately \$1,740,899. Amounts totaling \$500,000 were insured by Federal Deposit Insurance (FDIC). Wilmington Trust holds investments as collateral to the remaining uninsured funds of \$1,240,899.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements

December 31, 2019

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by the following eligible items.

- A pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- An eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Town for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits.
- An eligible surety bond payable to the Town for an amount at least equal to 100% of the aggregate amount of deposits, executed by an insurance company authorized to do business in New York State.

TOWN OF HASTINGS, NEW YORK

**Notes to Basic Financial Statements
December 31, 2019**

4. CAPITAL ASSETS AND DEPRECIATION SCHEDULE

Capital asset activity for the year ended December 31, 2019 for governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable:				
Land	\$ 252,068	\$ -	\$ -	\$ 252,068
Construction in Progress	<u>2,989,641</u>	<u>755,098</u>	<u>-</u>	<u>3,744,739</u>
Subtotal	<u>3,241,709</u>	<u>755,098</u>	<u>-</u>	<u>3,996,807</u>
Depreciable:				
Buildings	2,855,349	-	-	2,855,349
Land Improvements	131,154	-	-	131,154
Infrastructure	48,303,056	-	-	48,303,056
Vehicles	1,866,145	-	-	1,866,145
Equipment	<u>1,300,683</u>	<u>-</u>	<u>-</u>	<u>1,300,683</u>
Subtotal	<u>54,456,387</u>	<u>-</u>	<u>-</u>	<u>54,456,387</u>
Total capital assets	<u>57,698,096</u>	<u>755,098</u>	<u>-</u>	<u>58,453,194</u>
Accumulated depreciation:				
Buildings	1,147,236	57,155	-	1,204,391
Land improvements	90,012	4,383	-	94,395
Infrastructure	24,297,100	532,598	-	24,829,698
Vehicles	989,456	115,046	-	1,104,502
Equipment	<u>719,442</u>	<u>69,448</u>	<u>-</u>	<u>788,890</u>
Total	<u>27,243,246</u>	<u>778,630</u>	<u>-</u>	<u>28,021,876</u>
Net capital assets	<u>\$ 30,454,850</u>	<u>\$ (23,532)</u>	<u>\$ -</u>	<u>\$ 30,431,318</u>

Depreciation was charged to governmental activities as follows:

General government support	\$ 19,540
Transportation	246,544
Home and community services	<u>512,546</u>
Total depreciation expense	<u>\$ 778,630</u>

TOWN OF HASTINGS, NEW YORK

**Notes to Basic Financial Statements
December 31, 2019**

5. CAPITAL INDEBTEDNESS

General obligation bonds are direct obligations for which the full faith and credit of the Town are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law.

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Long-term financing	\$ 15,614,684	\$ -	\$ 784,467	\$ 14,830,217	\$ 795,095
Net pension liability	93,854	112,513	-	206,367	-
Fire service award obligation	135,656	22,318	-	157,974	-
Compensated absences	25,114	-	-	25,114	-
Long-term liabilities	<u>\$ 15,869,308</u>	<u>\$ 134,831</u>	<u>\$ 784,467</u>	<u>\$ 15,219,672</u>	<u>\$ 795,095</u>

The following is a statement of serial bonds with corresponding maturity schedules:

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	Amount Outstanding <u>12/31/2019</u>	Final Maturity
Serial Bonds:				
Public improvement	2007	0.00%	\$ 5,561,334	2037
Public improvement	2002	1.36%	54,886	2021
Public improvement	2007	4.30%	49,999	2022
Public improvement	1999	3.25%	524,000	2037
Public improvement	2011	3.38%	1,863,000	2048
Public improvement	2018	4.10%	290,224	2024
Public improvement	2017	0.00%	1,097,291	2046
Public improvement	1998	5.00%	42,000	2026
Public improvement	2005	0.00%	1,038,780	2034
Public improvement	1998	5.00%	84,000	2026
Public improvement	2015	2.14%	31,545	2020
Public improvement	2013	0.00%	4,022,508	2043
Public improvement	2017	4.00%	<u>170,650</u>	2024
			<u>\$ 14,830,217</u>	

TOWN OF HASTINGS, NEW YORK**Notes to Basic Financial Statements
December 31, 2019**

As of December 31, 2019, amounts due to service serial bonds payable principal and interest in future years for governmental activities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 795,095	\$ 110,180	\$ 905,275
2021	774,306	103,894	878,200
2022	748,089	94,950	843,039
2023	736,194	87,468	823,662
2024	741,958	80,635	822,593
2025-2029	3,284,878	325,068	3,609,946
2030-2034	3,387,106	254,890	3,641,996
2035-2039	2,496,148	175,459	2,671,607
2040-2044	1,394,130	105,908	1,500,038
2045-2048	<u>472,313</u>	<u>32,400</u>	<u>504,713</u>
Total	<u>\$ 14,830,217</u>	<u>\$ 1,370,852</u>	<u>\$ 16,201,069</u>

As of December 31, 2019, activity related to bond anticipation note liabilities are as follows:

<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Deletions</u>	<u>Ending Balance</u>
7/3/2018	7/3/2019	2.75%	\$ 2,975,000	\$ -	\$ 2,975,000	\$ -
7/2/2019	7/2/2020	2.00%	<u>-</u>	<u>2,950,000</u>	<u>-</u>	<u>2,950,000</u>
Total			<u>\$ 2,975,000</u>	<u>\$ 2,950,000</u>	<u>\$ 2,975,000</u>	<u>\$ 2,950,000</u>

In July 2019, the Town renewed a Bond Anticipation Note in the amount of \$2,950,000 at 2.00%, maturing in July 2020. This short-term financing is for various capital projects.

6. OPERATING LEASES

The Town leases equipment under operating lease agreements. Payments under these leases are made in accordance with the agreement. Rental expenditures in 2019 amounted to \$4,543. The future minimum payments under noncancelable leases are as follows:

2020	\$ 3,353
2021	1,687
2022	<u>281</u>
Total	<u>\$ 5,321</u>

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

In 2009, the Town entered into an agreement with Onondaga County Water Authority (OCWA). In consideration of one dollar paid by the Town, OCWA will lease, maintain, repair and operate the facilities of Route 11 North/Fuller Road Water District Phase D (the District), supply water and water services directly to the customers of the District, collect revenues from the customers supplied, and (if applicable) make payments to the District under the agreed upon terms and conditions for a period of 40 years. The lease term expires April 30, 2049 and is cancellable by either party with due cause. At the end of the term the contract may be renewed. The water system shall remain property of the Town.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Receivables and Payables

To improve cash management, most Town disbursements are made from a pooled account in General Fund. This cash management practice, as well as normal delays in processing interfund transfers and reimbursement, is the main reason why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at December 31, 2019:

	Amount Receivable	Amount Payable
General Fund	\$ 232,879	\$ 96,569
Capital Projects Fund	84,828	93,520
Highway Fund	64,780	51,818
Sewer Fund	177,311	298,450
Water Fund	3,216	3,216
Special Lighting Fund	-	11,321
Agency Fund	10,625	18,745
	<u> </u>	<u> </u>
Total	<u>\$ 573,639</u>	<u>\$ 573,639</u>

Transfers

Transfers are provided for as part of the annual budget process. Interfund transfers for the year ended December 31, 2019, which were routine in nature, were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 200,000
Highway Fund	200,000	-
	<u> </u>	<u> </u>
Total	<u>\$ 200,000</u>	<u>\$ 200,000</u>

8. RETIREMENT PLANS**New York State Employees' Retirement System (NYSERS)**

The Town participates in the New York State Employees' Retirement System (NYSERS) also referred to as New York State and Local Retirement System (the System). This is a cost sharing, multiple employer public employee retirement system, providing 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), established to hold all net position and record changes in plan net position allocated to the System, System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State'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, New York 12244.

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in NYSEERS contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of contributions required, and were as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 130,874
2018	137,430
2017	131,776

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

At December 31, 2019, the Town reported a net pension liability of \$206,367 for its proportionate share of the NYS ERS net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuations as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 0.0029126%.

TOWN OF HASTINGS, NEW YORK**Notes to Basic Financial Statements
December 31, 2019**

For the year ended December 31, 2019, the Town recognized an increase in employee benefit expenses as a result of the net increase in pension liability of \$21,164. At December 31, 2019, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,638	\$ 13,853
Changes of assumptions	51,872	-
Net difference between projected and actual earnings on pension plan investments	-	52,965
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	<u>29,660</u>	<u>-</u>
Total	<u>\$ 122,170</u>	<u>\$ 66,818</u>

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 Ended March 31:</u>	<u>Amount</u>
2020	\$ 53,885
2021	(33,147)
2022	3,393
2023	<u>31,221</u>
Total	<u>\$ 55,352</u>

Actuarial Assumptions

The total pension liability was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.20% indexed by service
Projected COLAs	1.30% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment rate of return	7.00% compounded annually, net of investment expenses

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized below:

Long-Term Expected Rate of Return

<u>Asset Type</u>	Long-Term expected real rate	
	<u>Target Allocations in %</u>	<u>of return in %</u>
Domestic Equity	36.0%	4.55%
International Equity	14.0%	6.35%
Private Equity	10.0%	7.50%
Real Estate	10.0%	5.55%
Absolute Return Strategies	2.0%	3.75%
Opportunistic Portfolio	3.0%	5.68%
Real Assets	3.0%	5.29%
Bonds & Mortgages	17.0%	1.31%
Cash	1.0%	-0.25%
Inflation-Indexed Bonds	<u>4.0%</u>	1.25%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan'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.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements

December 31, 2019

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Proportionate Share of Net Pension liability (asset)	\$ 902,270	\$ 206,367	\$ (378,241)

Pension Plan Fiduciary Net Position (in Thousands)

The components of the current-year net pension liability of the employers as of March 31, 2019 were as follows:

Total pension liability	\$189,803,429
Net position	<u>(182,718,124)</u>
Net pension liability (asset)	<u>\$ 7,085,305</u>
ERS net position as a percentage of total pension liability	<u>96.27%</u>

9. LENGTH OF SERVICE AWARD PROGRAM

The Town (Plan Sponsor or sponsor) established an insurance defined benefit Length of Service Awards Program (LOSAP) for active volunteer firefighters of the Town's fire companies. The program took effect on January 1, 2004. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

Program Description

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 62. In general, 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 fifty points. Points are granted for the performance of certain 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 5 years of firefighting service rendered prior to the establishment of the program.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

Benefits

The normal form of benefits provided by this Plan are a life annuity with payments guaranteed for at least ten years. When a member reaches his entitlement date, the plan purchases an individual annuity from First Security Benefit Life Insurance and Annuity Company of New York.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$10 per month multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Except in the case of disability or death; benefits are payable when a participant reaches entitlement age.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated the Standard Security Life Insurance Company of New York to assist in the administration of the program. The designated program administrator's functions include installation services related to the adoption agreement, plan documentation, insurance application, and participant beneficiary forms. In addition, the program administrator will assist with administrative functions including but not limited to calculating schedule of benefits and costs, tax reporting, and auxiliary fund valuation and suggested deposit amounts. Disbursements of program assets for the payment of benefits or administrative expense must be approved by the Town Clerk, the Trustee of the plan.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated January 1, 2004 and the trustee is the Town Clerk.

Authority to invest program assets is vested in the Town, the Plan Sponsor. Subject to restrictions in the program document, program assets are invested in accordance with statutory "prudent person" rule.

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 sponsor for this purpose is BPAS Actuarial and Pension Services, LLC. Portions of the following information are derived from a report prepared by the actuary dated April 2020 for the plan year ended December 31, 2019.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Benefits at December 31, 2018	\$ 770,149
Less: Assets Available for Benefits (Annuity Contract)	<u>612,175</u>
Total Unfunded Benefits	157,974
Less: Unfunded Liability for Prior Service	<u>104,054</u>
Unfunded Normal Benefits	<u>\$ 53,920</u>

Prior Service Costs

Prior service costs are being amortized over 4-10 years at a discount rate of 4.75%.

Receipts and Disbursements

Plan Net Assets, beginning of year	\$ 716,612
Changes during the year:	
Plus plan contributions	63,830
Plus investment income earned	23,636
Less plan benefit withdrawals	<u>(191,903)</u>
Plan Net Assets, end of year	<u>\$ 612,175</u>

Contributions

Amount of sponsor's contribution recommended by actuary was \$81,771 for a 4 year amortization, and \$66,629 for a 10 year amortization. Actual contributions were \$63,830 for the plan year ended December 31, 2019.

Administration Fees

Administrative fees of \$2,300 are service fees paid to the program administrator for the plan year ended December 31, 2019.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the unit credit cost method. The assumptions used by the actuary to determine the sponsor's contribution are a pre-entitlement interest rate of 4.75% compounded annually and post-entitlement annuity factors were as follows:

- Assumed Rate of Return: 4.75%
- Mortality: RP2000 combined Male Projected to 2019

10. AGREEMENT WITH TOWN OF WEST MONROE, NEW YORK

In September 2012, the Town entered into an agreement with the Town of West Monroe, New York related to the Town's ongoing Fort Brewerton Wastewater Treatment Plant project. Under this agreement, West Monroe applied for financing through the New York State Environmental Facilities Corporation (EFC), including \$1 million to be made available to the Town for the project. When the project is complete and West Monroe converts the debt to long-term financing, West Monroe will charge the Town for its portion of the debt service.

At December 31, 2019, the Town has received \$329,636 in connection with this agreement. This amount is reported as due to other governments in governmental activities. No liability is reported in at the fund level, as it is long-term in nature.

11. FEDERAL AND STATE ASSISTED PROGRAMS

The Town periodically receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

12. SUBSEQUENT EVENT

In July 2020, a Bond Anticipation Note with a total principal amount of \$2,915,000 due on July 1, 2021 was issued with an interest rate of 2.00% to pay off current Bond Anticipation Notes maturing in July 2020.

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

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information

Budgetary Comparison Schedule Budget and Actual - General Fund (Unaudited)

For the Year Ended December 31, 2019

	Original	Modified	Actual Amounts	Variance Positive (Negative)
Budgetary fund balance, January 1	\$ 43,000	\$ 43,000	\$ -	\$ (43,000)
Resources (inflows):				
Real property taxes	549,505	549,505	553,889	4,384
Non-property taxes	362,000	362,000	571,726	209,726
Departmental revenues	47,500	47,500	23,051	(24,449)
Use of money and property	1,250	1,250	4,415	3,165
Licenses and permits	22,500	22,500	3,571	(18,929)
Fines and forfeitures	105,000	105,000	83,495	(21,505)
State aid	142,000	142,000	256,700	114,700
Miscellaneous local sources	-	-	46,640	46,640
Amounts available for appropriation	<u>1,272,755</u>	<u>1,272,755</u>	<u>1,543,487</u>	<u>270,732</u>
Charges to appropriations (outflows):				
General government support	486,132	486,132	487,515	(1,383)
Public safety	21,400	21,400	16,838	4,562
Health	2,500	2,500	-	2,500
Transportation	102,100	102,100	96,536	5,564
Economic assistance and opportunity	3,000	3,000	-	3,000
Culture and recreation	82,200	82,200	44,543	37,657
Home and community services	181,893	181,893	264,994	(83,101)
Employee benefits	<u>193,530</u>	<u>193,530</u>	<u>145,685</u>	<u>47,845</u>
Total charges to appropriations	<u>1,072,755</u>	<u>1,072,755</u>	<u>1,056,111</u>	<u>16,644</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>200,000</u>	<u>200,000</u>	<u>487,376</u>	<u>287,376</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,376</u>	<u>\$ 287,376</u>

See Notes to the Required Supplementary Information.

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information

Budgetary Comparison Schedule Budget and Actual - Highway Fund (Unaudited)

For the Year Ended December 31, 2019

	Original	Modified	Actual Amounts	Variance Positive (Negative)
Budgetary fund balance, January 1	\$ 38,000	\$ 38,000	\$ -	\$ (38,000)
Resources (inflows):				
Real property taxes	962,035	962,035	962,035	-
Departmental revenues	148,474	148,474	241,904	93,430
Use of money and property	2,000	2,000	2,061	61
State aid	110,000	110,000	130,322	20,322
Miscellaneous local sources	-	-	21,553	21,553
Amounts available for appropriation	<u>1,260,509</u>	<u>1,260,509</u>	<u>1,357,875</u>	<u>97,366</u>
Charges to appropriations (outflows):				
Transportation	1,078,869	1,078,869	1,099,217	(20,348)
Employee benefits	243,840	243,840	226,967	16,873
Principal	122,200	122,200	114,775	7,425
Interest	<u>15,600</u>	<u>15,600</u>	<u>16,625</u>	<u>(1,025)</u>
Total charges to appropriations	<u>1,460,509</u>	<u>1,460,509</u>	<u>1,457,584</u>	<u>2,925</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(200,000)</u>	<u>(200,000)</u>	<u>(99,709)</u>	<u>100,291</u>
OTHER FINANCING SOURCES:				
Operating transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,291</u>	<u>\$ 100,291</u>

See Notes to the Required Supplementary Information.

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information

Budgetary Comparison Schedule Budget and Actual - Fire Protection Fund (Unaudited)

For the Year Ended December 31, 2019

	Original	Modified	Actual Amounts	Variance Positive (Negative)
Resources (inflows):				
Real property taxes	\$ 739,395	\$ 739,395	\$ 739,395	\$ -
Amounts available for appropriation	739,395	739,395	739,395	-
Charges to appropriations (outflows):				
Public safety	739,395	739,395	740,515	(1,120)
Total charges to appropriations	739,395	739,395	740,515	(1,120)
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	(1,120)	(1,120)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ (1,120)	\$ (1,120)

See Notes to the Required Supplementary Information.

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information

Budgetary Comparison Schedule Budget and Actual - Water Fund (Unaudited)

For the Year Ended December 31, 2019

	Original	Modified	Actual Amounts	Variance Positive (Negative)
Budgetary fund balance, January 1	\$ 14,433	\$ 14,433	\$ -	\$ (14,433)
Resources (inflows):				
Real property taxes	576,580	576,580	576,694	114
Departmental revenues	-	-	1,399	1,399
Use of money and property	-	-	1,431	1,431
Amounts available for appropriation	<u>591,013</u>	<u>591,013</u>	<u>579,524</u>	<u>(11,489)</u>
Charges to appropriations (outflows):				
Home and community services	82,905	82,905	77,360	5,545
Principal	410,169	410,169	409,630	539
Interest	<u>97,939</u>	<u>97,939</u>	<u>84,824</u>	<u>13,115</u>
Total charges to appropriations	<u>591,013</u>	<u>591,013</u>	<u>571,814</u>	<u>19,199</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,710</u>	<u>7,710</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,710</u>	<u>\$ 7,710</u>

See Notes to the Required Supplementary Information.

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information

Budgetary Comparison Schedule Budget and Actual - Sewer Fund (Unaudited)

For the Year Ended December 31, 2019

	Original	Modified	Actual Amounts	Variance Positive (Negative)
Resources (inflows):				
Departmental revenues	\$ 579,826	\$ 579,826	\$ 385,044	\$ (194,782)
Use of money and property	<u>-</u>	<u>-</u>	<u>385</u>	<u>385</u>
Amounts available for appropriation	<u>579,826</u>	<u>579,826</u>	<u>385,429</u>	<u>(194,397)</u>
Charges to appropriations (outflows):				
Home and community services	274,356	274,356	155,677	118,679
Employee benefits	3,150	3,150	1,735	1,415
Principal	285,145	285,145	260,062	25,083
Interest	<u>17,175</u>	<u>17,175</u>	<u>7,369</u>	<u>9,806</u>
Total charges to appropriations	<u>579,826</u>	<u>579,826</u>	<u>424,843</u>	<u>154,983</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(39,414)</u>	<u>(39,414)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,414)</u>	<u>\$ (39,414)</u>

See Notes to the Required Supplementary Information.

TOWN OF HASTINGS, NEW YORK

Required Supplementary Information - Pension (Unaudited)
For the Year Ended December 31, 2019

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY (ASSET) (In Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.29126%	0.00291%	0.00297%	0.00330%
Proportionate share of the net pension liability (asset)	\$ 206	\$ 93	\$ 279	\$ 530
Covered-employee payroll	\$ 869	\$ 869	\$ 856	\$ 846
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.71%	10.70%	32.59%	62.65%
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.27%	98.24%	94.00%	97.90%

SCHEDULE OF CONTRIBUTIONS - PENSION PLAN (In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 131	\$ 137	\$ 132	\$ 165
Contributions in relation to the contractually required contribution	<u>131</u>	<u>137</u>	<u>132</u>	<u>165</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 869	\$ 869	\$ 856	\$ 846
Contributions as a percentage of covered-employee payroll	15.07%	15.77%	15.42%	19.50%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the Town will present information for these years for which information is available.

TOWN OF HASTINGS, NEW YORK

Notes to Basic Financial Statements December 31, 2019

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Policies

The budget policies are as follows:

- 1) No later than September 30th, the Town Supervisor submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except Capital Projects and Fiduciary Funds.
- 2) After public hearings are conducted to obtain taxpayer comments, the Town Board adopts the budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.
- 3) All modifications of the budget must be approved by the Town Board and all appropriations lapse at fiscal year-end.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States. Budgetary comparisons presented in this report are on a GAAP basis and represent the budget as modified.

Expenditures in Excess of Appropriations

In 2019, the Fire Protection Fund and Sewer Fund had expenditures in excess of appropriations. The excess expenditures were covered by available fund balance.

TOWN OF HASTINGS, NEW YORK

**Other Information - Unaudited
Combining Balance Sheet - Water Fund - Districts
December 31, 2019**

	Ft. Brewerton District	Ft. Brewerton Ext #1 District	Ft. Brewerton Ext #3 District	Corporate Park District	Caughdenoy District	Caughdenoy West District	Elderberry Lane District	Fuller Road District	Carly Court District	Fuller Road/ Route 11 Phase D District	Total Water Fund
ASSETS											
Cash and cash equivalents	\$ 2,038	\$ 8,995	\$ 12,032	\$ 18,099	\$ 5,296	\$ 22,761	\$ 333	\$ 26,114	\$ 220	\$ 49,529	\$ 145,417
Due from other funds	-	-	-	3,216	-	-	-	-	-	-	3,216
Total assets	<u>\$ 2,038</u>	<u>\$ 8,995</u>	<u>\$ 12,032</u>	<u>\$ 21,315</u>	<u>\$ 5,296</u>	<u>\$ 22,761</u>	<u>\$ 333</u>	<u>\$ 26,114</u>	<u>\$ 220</u>	<u>\$ 49,529</u>	<u>\$ 148,633</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	3,216	-	-	-	3,216
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,216</u>
Fund balances:											
Restricted	<u>2,038</u>	<u>8,995</u>	<u>12,032</u>	<u>21,315</u>	<u>5,296</u>	<u>22,761</u>	<u>(2,883)</u>	<u>26,114</u>	<u>220</u>	<u>49,529</u>	<u>145,417</u>
Total liabilities and fund balances	<u>\$ 2,038</u>	<u>\$ 8,995</u>	<u>\$ 12,032</u>	<u>\$ 21,315</u>	<u>\$ 5,296</u>	<u>\$ 22,761</u>	<u>\$ 333</u>	<u>\$ 26,114</u>	<u>\$ 220</u>	<u>\$ 49,529</u>	<u>\$ 148,633</u>

TOWN OF HASTINGS, NEW YORK

Other Information - Unaudited

Combining Balance Sheet - Sewer Fund - Districts

December 31, 2019

	Caughdenoy Road District	Ft. Brewerton District	East Ft. Brewerton District	Route 11 District	Route 11 North District	Total Sewer Fund
ASSETS						
Cash and cash equivalents	\$ 15,396	\$ -	\$ 12,408	\$ 22,955	\$ 53,812	\$ 104,571
Due from other funds	<u>17,794</u>	<u>88,889</u>	<u>30,490</u>	<u>40,138</u>	<u>-</u>	<u>177,311</u>
 Total assets	 <u>\$ 33,190</u>	 <u>\$ 88,889</u>	 <u>\$ 42,898</u>	 <u>\$ 63,093</u>	 <u>\$ 53,812</u>	 <u>\$ 281,882</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 641	\$ 9,571	\$ -	\$ 147	\$ 410	\$ 10,769
Accrued liabilities	74	98	-	-	-	172
Due to other funds	<u>157,930</u>	<u>124,812</u>	<u>5,570</u>	<u>10,138</u>	<u>-</u>	<u>298,450</u>
 Total liabilities	 <u>158,645</u>	 <u>134,481</u>	 <u>5,570</u>	 <u>10,285</u>	 <u>410</u>	 <u>309,391</u>
 Fund balance:						
Restricted	-	-	37,328	52,808	53,402	143,538
Unassigned	<u>(125,455)</u>	<u>(45,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(171,047)</u>
 Total fund balance	 <u>(125,455)</u>	 <u>(45,592)</u>	 <u>37,328</u>	 <u>52,808</u>	 <u>53,402</u>	 <u>(27,509)</u>
 Total liabilities and fund balance	 <u>\$ 33,190</u>	 <u>\$ 88,889</u>	 <u>\$ 42,898</u>	 <u>\$ 63,093</u>	 <u>\$ 53,812</u>	 <u>\$ 281,882</u>

TOWN OF HASTINGS, NEW YORK

Other Information - Unaudited

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Water Fund - Districts

For the Year Ended December 31, 2019

	Ft. Brewerton District	Ft. Brewerton Ext #1 District	Ft. Brewerton Ext #3 District	Corporate Park District	Caughdenoy District	Caughdenoy West District	Elderberry Lane District	Fuller Road District	Carly Court District	Fuller Road/ Route 11 Phase D District	Total Water Fund
REVENUES											
Real property taxes	\$ 2,867	\$ 3,200	\$ 3,114	\$ 1,000	\$ 54,500	\$ 3,825	\$ 28,358	\$ 373,000	\$ 330	\$ 106,500	\$ 576,694
Departmental revenues	-	-	-	-	-	-	-	1,399	-	-	1,399
Use of money and property	4	19	27	45	81	49	44	853	-	309	1,431
	<u>2,871</u>	<u>3,219</u>	<u>3,141</u>	<u>1,045</u>	<u>54,581</u>	<u>3,874</u>	<u>28,402</u>	<u>375,252</u>	<u>330</u>	<u>106,809</u>	<u>579,524</u>
EXPENDITURES											
Current:											
Home and community services	2,907	2,850	3,214	1,612	13,456	1,109	7,458	42,022	254	2,478	77,360
Debt Service:											
Principal	-	-	-	-	21,000	-	25,000	325,630	-	38,000	409,630
Interest	-	-	-	-	17,713	-	87	2,866	-	64,158	84,824
	<u>2,907</u>	<u>2,850</u>	<u>3,214</u>	<u>1,612</u>	<u>52,169</u>	<u>1,109</u>	<u>32,545</u>	<u>370,518</u>	<u>254</u>	<u>104,636</u>	<u>571,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36)	369	(73)	(567)	2,412	2,765	(4,143)	4,734	76	2,173	7,710
NET CHANGE IN FUND BALANCE	(36)	369	(73)	(567)	2,412	2,765	(4,143)	4,734	76	2,173	7,710
FUND BALANCE AT BEGINNING OF YEAR	2,074	8,626	12,105	21,882	2,884	19,996	1,260	21,380	144	47,356	137,707
FUND BALANCE AT END OF YEAR	<u>\$ 2,038</u>	<u>\$ 8,995</u>	<u>\$ 12,032</u>	<u>\$ 21,315</u>	<u>\$ 5,296</u>	<u>\$ 22,761</u>	<u>\$ (2,883)</u>	<u>\$ 26,114</u>	<u>\$ 220</u>	<u>\$ 49,529</u>	<u>\$ 145,417</u>

TOWN OF HASTINGS, NEW YORK

Other Information - Unaudited

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Sewer Fund - Districts

For the Year Ended December 31, 2019

	Caughdenoy Road District	Ft. Brewerton District	East Ft. Brewerton District	Route 11 District	Route 11 North District	Total Sewer Fund
REVENUES						
Departmental revenues	\$ 139,472	\$ 110,801	\$ 24,956	\$ 60,798	\$ 49,017	\$ 385,044
Use of money and property	22	69	94	168	32	385
	<u>139,494</u>	<u>110,870</u>	<u>25,050</u>	<u>60,966</u>	<u>49,049</u>	<u>385,429</u>
EXPENDITURES						
Current:						
Home and community services	8,915	130,226	2,217	13,905	414	155,677
Employee benefits	316	1,419	-	-	-	1,735
Debt Service:						
Principal	148,306	66,920	-	11,884	32,952	260,062
Interest	2,869	4,500	-	-	-	7,369
	<u>160,406</u>	<u>203,065</u>	<u>2,217</u>	<u>25,789</u>	<u>33,366</u>	<u>424,843</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(20,912)</u>	<u>(92,195)</u>	<u>22,833</u>	<u>35,177</u>	<u>15,683</u>	<u>(39,414)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	123,370	-	-	-	123,370
Operating transfers out	(55,136)	-	(15,445)	(32,964)	(19,825)	(123,370)
	<u>(55,136)</u>	<u>123,370</u>	<u>(15,445)</u>	<u>(32,964)</u>	<u>(19,825)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(76,048)	31,175	7,388	2,213	(4,142)	(39,414)
FUND BALANCE AT BEGINNING OF YEAR	<u>(49,407)</u>	<u>(76,767)</u>	<u>29,940</u>	<u>50,595</u>	<u>57,544</u>	<u>11,905</u>
FUND BALANCE AT END OF YEAR	<u>\$ (125,455)</u>	<u>\$ (45,592)</u>	<u>\$ 37,328</u>	<u>\$ 52,808</u>	<u>\$ 53,402</u>	<u>\$ (27,509)</u>

INDEPENDENT AUDITOR'S 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*

August 17, 2020

To the Town Board
Town of Hastings, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hastings, New York (the Town), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 17, 2020.

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) to determine the 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 entity'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.

INDEPENDENT AUDITOR'S 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*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hastings, New York'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.