

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax imposed under the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

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

\$2,286,000

TOWN OF NEW HAVEN

OSWEGO COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$2,286,000 Bond Anticipation Notes, 2022

(referred to herein as the "Notes")

Dated: October 20, 2022

Due: July 20, 2023

The Notes are general obligations of the Town of New Haven, Oswego County, New York (the "Town"), all of the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX INFORMATION – Tax Cap Law."

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued as registered notes registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof except for one odd denomination which is or includes \$6,000, as may be determined by such successful bidder.

Alternatively, if the Notes are issued in book-entry-only form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof except for one odd denomination which is or includes \$6,000, as may be determined by such successful bidder. If the Notes are issued in book-entry-only form, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the Purchaser, on or about October 20, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on October 6, 2022 by no later than 11:00 A.M. EDT. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids 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 for the Notes.

September 29, 2022

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

**TOWN OF NEW HAVEN
OSWEGO COUNTY, NEW YORK**

TOWN OFFICIALS

Town Board

DAN BARNEY
Supervisor

TIM TIEFKE – DEPUTY SUPERVISOR
FREDERICK WILBUR
PATRICIA PROSSER
MARY CURCIO
JOE SPERENO

* * * * *

JENNIFER WOOLSON
Town Clerk

LESLEY SCHMIDT
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

BOND **SCHOENECK
& KING**
BOND, SCHOENECK & KING, PLLC
Bond Counsel

No person has been authorized by the Town of New Haven 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 New Haven.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF NEW HAVEN
OSWEGO COUNTY, NEW YORK
Relating To
\$2,286,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of New Haven, Oswego County, New York (the "Town", "County", and "State", respectively) in connection with the sale by the Town of \$2,286,000 principal amount of Bond Anticipation Notes, 2022 (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 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 of the 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. See "STATE AID" and "MARKET AND RISK FACTORS – COVID-19" herein.

NATURE OF OBLIGATION

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

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

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

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

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.

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 bonds holders 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, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bond 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, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

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

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

THE NOTES

Description of the Notes

The Notes will be dated October 20, 2022 and will mature July 20, 2023. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes are general obligations of the Town, all of the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See “TAX INFORMATION – Tax Cap Law.”

At the option of the purchaser, the Notes will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as Securities Depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000, or integral multiples thereof which is or includes \$6,000. Purchasers will not receive certificates representing their interest in the Notes.

Principal and interest on the Notes are payable at maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the Town referred to therein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State, including among others, the Local Finance Law and a bond resolutions adopted by the Town Board on September 29, 2020 authorizing the issuance of \$3,240,000 Serial Bonds the cost of the acquisition, construction and installation of a water supply and distribution system for water service area no. 9., on October 19, 2021 authorizing the issuance of \$779,102 to supplement the September 29, 2020 resolution, and on September 20, 2022 authorizing the issuance of \$150,000 Serial Bonds to further supplement the September 29, 2020 resolution.

The proceeds of the Notes, along with \$16,500 available funds of the Town, will partially redeem and renew \$1,840,000 bond anticipation notes maturing on October 21, 2022 and will provide \$462,500 new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

If this option is chosen, DTC, will act as securities depository for the Notes. 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 bearing the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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.

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, principal and interest to DTC is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; 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.

Source: The Depository Trust Company.

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof which is or includes \$6,000. Principal of and interest on the Notes will be payable at a principal corporate trust office to be named by the Town. The Notes are not subject to redemption prior to their stated final maturity date.

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THE TOWN

General Information

The Town is classified as a Suburban Town, and encompasses 44.2 square miles within County of Oswego, New York. It is the smallest town in the County being 5 miles east & west by 5 3/4 miles north & south, with a total of 133 lots. The Town is a suburban community and primarily residential in nature. Residences consist primarily of single family homes.

Source: Town officials.

Population Trends

The current estimated population of the Town is 2,944. (Source: 2021 U.S. Census Bureau estimate)

<u>Year</u>	<u>Town of New Haven</u>	<u>Oswego County</u>	<u>New York State</u>
2010	2,856	122,109	19,378,102
2020	2,944	117,525	20,201,249
2021 (estimate)	2,944	117,387	19,835,913

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the Town as such. The smallest areas for which such statistics are available, which includes the Town, are the City and County listed below. The figures set below with respect to the City, County and State are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the City or County or State are necessarily representative of the Town, or vice versa.

	<u>2000</u>	<u>Per Capita Income</u>		<u>Median Family Income</u>		
		<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
Town of:						
New Haven	\$ 16,957	\$ 19,688	\$ 27,806	\$ 44,900	\$ 55,000	\$ 66,888
County of:						
Oswego	16,853	21,604	30,026	43,821	56,364	71,285
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

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Major Employers

<u>Name of Employer</u>	<u>Type of Business</u>
New Haven Elementary School	Education
Town of New Haven	Municipality
Circle T Enterprises	Transportation
The Dollar General	Retail

Unemployment Rate Statistics

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

	<u>Annual Average</u>							
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Oswego County	8.1%	7.2%	6.6%	6.4%	5.4%	5.2%	8.6%	5.5%
New York State	6.3	5.2	4.9	4.6	4.1	3.8	9.9	6.9

	<u>2022 Monthly Figures</u>								
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Oswego County	4.8%	5.1%	4.7%	3.9%	3.7%	4.0%	4.3%	4.3%	N/A
New York State	5.3	5.1	4.7	4.2	4.1	4.3	4.8	4.9	N/A

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

Financial Organization

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

Budgetary Procedures

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

The Town's Tax Levy for 2020 increased by 0.260%, which is within the Town's tax levy cap limit.

The Town's Tax Levy for 2021 increased by 0.985%, which is within the Town's tax levy cap limit.

The Town's Tax Levy for 2022 increased by 1.820%, which is within the Town's tax levy cap limit.

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Investment Policy

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

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

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2022 fiscal year, approximately 6.47% of the operating revenues of the Town are expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues comprised of State aid of the Town for each of the last four completed fiscal years and the budgeted figures for the 2022 fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018	\$634,862	\$56,723	8.93%
2019	623,497	27,396	4.39
2020	622,580	45,602	7.32
2021	649,569	56,308	8.67
2022 (Budgeted)	617,790	40,000	6.47

Source: Audited Financial Statement for the 2018 fiscal year through and including the 2021 fiscal year for the towns general fund, and the adopted budget for 2022 fiscal year of the Town. This table is not audited.

Employees

The Town currently employs approximately 31 people. The number of Town employees represented by collective bargaining agents and the dates of expiration of their agreements are as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
5	Highway	December 31, 2024

Source: Town officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

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

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

For both ERS & PFRS, Tier 5 provides for:

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

For both ERS & PFRS, Tier 6 provides for:

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

The Town's payments to ERS since the 2017 fiscal year have been as follows:

<u>Fiscal Year</u>	<u>ERS</u>
2017	\$ 68,861
2018	77,922
2019	75,894
2020	73,071
2021	57,780
2022 (Budgeted)	77,679

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not currently have any early retirement incentives outstanding. The Town offered a retirement incentive in 2020 for 2 employees to retire in exchange for no health insurance contributions from July 1, 2020 until said employees become Medicare eligible. The Town realized savings of approximately \$59,000 for 2020 and \$85,000 for 2021 as a result. The Town has no plans to offer retirement incentives in the current fiscal year.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the ERS in the 1990s, the locally required annual contribution declined to near zero. However, with the subsequent decline in the equity markets in the early 2000s, the pension system became underfunded. As a result, required contributions for ERS increased substantially from 1.5% in 2003 to 12.9% in 2005. Wide swings in the contribution rates can result in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2019 to 2023) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2019	14.9%	23.5%
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0

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

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

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS. For 2014 and 2015 the rate is 12.0% for ERS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

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

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

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

The Town does not offer Other Post Employment Benefits and thus has not completed an actuarial valuation for its Other Post Employment Benefits.

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

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

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

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

Financial Statements

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

The Audited Financial report for fiscal year ended December 31, 2021 is available and attached hereto as Appendix – D to this official statement. Certain other financial information can also be found in APPENDIX – A1 – A3 attached hereto.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles (GAAP) as prescribed by the American Institute of Certified Public Accountants’ Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB). The Town began implementing procedures to comply with GAAP starting with fiscal year ended December 31, 2017.

The Town’s audited financial statements for the year ended December 31, 2020 comply with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. In addition, the Town’s audited financial statements comply with GASB Statement No. 75 (see “Other Post-Employment Benefits” herein).

New York State Comptroller Report of Examination

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	8.3%
2019	No Designation	8.3%
2018	No Designation	8.3%

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assessed Valuation	\$ 149,836,456	\$ 155,533,931	\$ 155,014,147	\$ 158,929,014	\$ 159,879,514
New York State					
Equalization Rate	100.00%	100.00%	100.00%	100.00%	89.50%
Total Taxable Full Valuation	\$ 149,836,456	\$ 155,533,931	\$ 155,014,147	\$ 158,929,014	\$ 178,636,328

Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of New Haven	\$ 7.22	\$ 7.20	\$ 6.94	\$ 7.01	\$ 7.05

Tax Collection Procedure

Tax payments are due September 1st. Taxes are collected in two installments; the first due no later than October 31st and the second due no later than the first Tuesday in December. Uncollected real property taxes are subsequently enforced by the City and Utica. An amount representing uncollected real property taxes transmitted to the City for enforcement is paid by the City to the Town no later than June 30th, 18 months after the period for the payment of the 2nd installment ends.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of New Haven	\$ 1,799,493	\$ 1,847,047	\$ 1,851,759	\$ 1,865,248	\$ 1,899,228
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ See "Tax Collection Procedure".

Real Property Tax Revenues

The following table illustrates the percentage of total revenues comprised of Real Property Taxes for each of the last five completed fiscal years, the unaudited results for the 2019-20 fiscal year, and the budgeted figures for the 2020-2021 fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2018	\$ 2,647,444	\$ 1,806,418	68.23
2019	2,450,575	1,853,902	75.65
2020	2,447,289	1,858,501	75.94
2021	2,644,519	1,872,424	70.80
2022 (Budgeted)	2,493,815	1,899,228	76.16

Source: Audited Financial Statement for the 2018 fiscal year through and including the 2021 fiscal year and the adopted budget for 2022 fiscal year of the Town. This table is not audited.

Larger Taxpayers 2021 for the 2022 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$7,939,799
1 Grand View Lane LLC.	Domestic LLC	7,000,000
Randy L. Wiley	Residential	830,000
John F. Sharkey	Residential	806,900
The Megan Bajon Lvg Trust	Living Trust	780,000
Kevin Cushing	Residential	779,000

The larger taxpayers listed above have a total assessed valuation of \$18,854,399 which represents approximately 11.79% of the tax base of the Town.

As of the date of this Official Statement, the Town currently does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the Town.

Source: Town tax rolls.

Additional Tax Information

Real property located in the Town is assessed by the Town.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the Town is estimated to be categorized as follows: Residential-65%; Commercial-25%; Utilities-5%; and Manufacturing-5%.

The estimated total annual property tax bill of an \$80,000 market value residential property located in the Town is approximately \$3,600 including City, County and School Town taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire June 15, 2020 unless extended; it has since been made permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and certain school Towns of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the Town include the following:

Purpose and Pledge. The Town shall not give or loan any money or property to or in aid of any individual 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 annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

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 the Education Law.

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

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

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

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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

The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, see "TAX INFORMATION – Tax Cap Law" herein.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 10,603,228	\$ 11,835,244	\$ 11,386,360	\$ 10,935,877	\$ 10,483,894
Bond Anticipation Notes	<u>1,645,000</u>	<u>2,646,000</u>	<u>0</u>	<u>1,840,000</u>	<u>1,840,000</u>
Total Debt Outstanding	<u>\$ 12,248,228</u>	<u>\$ 14,481,244</u>	<u>\$ 11,386,360</u>	<u>\$ 12,775,877</u>	<u>\$ 12,323,894</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of September 29, 2022:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2057	\$ 8,910,511
<u>Bond Anticipation Notes</u>		
Capital Project	October 21, 2022	<u>1,840,000</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 10,750,511</u>

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$16,500 available funds of the Town.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of September 29, 2022:

Five-Year Average Full Valuation of Taxable Real Property	\$ 159,589,975
Debt Limit – 7% thereof	11,171,298

Inclusions:

Bonds	\$ 8,910,511
Bond Anticipation Notes	<u>1,840,000</u>
Total Inclusions	<u>\$ 10,750,511</u>

Exclusions:

Water Indebtedness ⁽¹⁾	\$ 8,899,511
Appropriations ⁽²⁾	<u>0</u>
Total Exclusions	<u>\$8,899,511</u>

Total Net Indebtedness Subject to Debt Limit

\$ 1,851,000

Net Debt-Contracting Margin

\$ 9,320,298

The percent of debt contracting power exhausted is

16.57%

⁽¹⁾ Water indebtedness exempt from Constitutional Debt Limit.

⁽²⁾ Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Note: The issuance of the Notes will not increase the net indebtedness of the Town.

Bonded Debt Service

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

Capital Project Plans

Other than the project for which the Notes are being issued, the Town has no authorized and unissued indebtedness for capital or other purposes and none planned.

Cash Flow Borrowings

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

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. Estimated bonds and bond anticipation notes are listed as of the close of the fiscal year of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Oswego	12/31/2020	\$ 2,623,974	\$ 413,974 ⁽²⁾	\$ 2,210,000	3.02%	\$ 66,720
School District						
Mexico CSD	6/30/2021	31,545,000	27,980,415 ⁽³⁾	3,564,585	25.98%	926,079
					Total:	<u>\$ 992,799</u>

⁽¹⁾ Bonds and bond anticipation notes as of the close of the fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

⁽³⁾ Building Aid Exclusion. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Year Ended in 2020.

Debt Ratios

The following table sets forth certain ratios relating to the Town's Net Indebtedness as of September 29, 2022:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 1,851,000	\$ 328.74	1.04%
Net Indebtedness Plus Net Overlapping Indebtedness ⁽³⁾	2,843,799	965.96	1.59

^(a) The current population of the Town is estimated to be 2,944. (See “THE TOWN – Population” herein.)

^(b) The Town's full value of taxable real estate for 2022 fiscal year using Regular State Equalization Ratios is \$178,636,328. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)

^(c) See “Debt Statement Summary” for the calculation of Net Indebtedness herein.

^(d) The Town’s applicable share of Net Overlapping Indebtedness is estimated to be \$992,799. (See “Estimated Overlapping Indebtedness” herein.)

Note: The above ratios do not take into account State building aid the Town will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received

by the State to make State aid payments to the Town. In some years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid".)

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

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

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

Cybersecurity. The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID 19. An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the County's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and was 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 continue to affect economic growth worldwide. 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. Similarly, the degree of the 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, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

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 excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The Town will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after December 31, 2022, this legislation will impose a fifteen percent (15%) percent alternative minimum tax on the adjusted financial statement income of certain corporations. Interest on the Notes will be included in the adjusted financial statement income of such corporations for purposes of computing the corporate alternative minimum tax imposed under the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

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.

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 Material Event Notices, substantially in the form attached hereto as "APPENDIX – C".

Historical Compliance

The Town is, in all material respects, in compliance with all prior continuing disclosure undertakings pursuant to the Rule for the past five years.

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 municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal 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 Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

RATING

The Notes are not rated. Pending the approval of the Town, the Purchaser of the Notes may have a rating completed after the sale at the expense of the Purchaser, including any fees to be incurred by the Town, as such rating action may result in a material event notification to be posted to EMMA as required by the Town's Undertaking to Provide Material Event Notices. (See "APPENDIX – C" attached hereto.)

The Town currently does not have any outstanding ratings with any rating agencies.

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

MISCELLANEOUS

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town's files with the repositories. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

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

Concurrently with the delivery of the Notes, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

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

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

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

The Town contact information is as follows: Ian Yerdon, Town Engineer, 423 N. Franklin Street Suite 70, Syracuse, New York, 13204, Phone: (315) 714-5187, email: ian.yerdon@c2ae.com.

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

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

TOWN OF NEW HAVEN

Dated: September 29, 2022

DAN BARNEY
TOWN BOARD SUPERVISOR

APPENDIX - A
Town of New Haven

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ASSETS</u>					
Cash, unrestricted	\$ 417,429	\$ 404,679	\$ 507,145	\$ 462,093	\$ 693,569
Cash, restricted	-	-	-	50,045	50,085
Receivables:					
Accounts	3,202	2,101	2,994	-	2,496
State and Federal	-	-	-	-	-
Other	-	-	29,217	2,546	-
Due from Other Funds	-	21,197	-	-	-
Due From Other Governments	26,767	96	815	-	80
Prepaid Expenses	-	-	22,349	20,300	24,300
TOTAL ASSETS	<u><u>\$ 447,398</u></u>	<u><u>\$ 428,073</u></u>	<u><u>\$ 562,520</u></u>	<u><u>\$ 534,984</u></u>	<u><u>\$ 770,530</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 1,648	\$ 4,800	\$ 11,908	\$ 8,310	\$ 5,991
Accrued Liabilities	641	480	881	251	143
Due to ERS	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	1,343	1,879	2,933	3,713	3,438
Deferred Revenue	-	-	-	-	-
Other Liabilities	-	-	-	-	145,462
TOTAL LIABILITIES	<u><u>\$ 3,632</u></u>	<u><u>\$ 7,159</u></u>	<u><u>\$ 15,722</u></u>	<u><u>\$ 12,274</u></u>	<u><u>\$ 155,034</u></u>
<u>FUND EQUITY</u>					
Reserved					
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:					
Appropriated	-	-	-	-	-
Unappropriated	-	-	-	-	-
Fund Balance:					
Nonspendable	\$ -	\$ -	\$ 22,349	\$ 20,300	\$ 24,300
Restricted	-	-	-	50,045	50,085
Assigned	1,938	21,938	1,938	5,390	-
Unassigned	441,828	398,976	522,511	446,975	541,111
TOTAL FUND EQUITY	<u><u>\$ 443,766</u></u>	<u><u>\$ 420,914</u></u>	<u><u>\$ 546,798</u></u>	<u><u>\$ 522,710</u></u>	<u><u>\$ 615,496</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 447,398</u></u>	<u><u>\$ 428,073</u></u>	<u><u>\$ 562,520</u></u>	<u><u>\$ 534,984</u></u>	<u><u>\$ 770,530</u></u>

Source: 2016-2021 Audited Financial Reports of the Town. This Appendix is not itself audited.

APPENDIX - A1
Town of New Haven

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>REVENUES</u>					
Real Property Taxes and Items	\$ 366,578	\$ 349,899	\$ 342,371	\$ 342,258	\$ 319,051
Nonproperty Taxes	178,012	189,678	203,816	183,700	218,585
Departmental Income	4,786	1,146	1,241	1,090	1,333
Intergovernmental Charges	1,023	1,048	1,221	1,159	1,026
Use of Money & Property	8,160	9,290	6,467	8,236	7,790
Licenses and Permits	8,114	13,514	10,122	11,907	16,269
Fines and Forfeitures	13,515	11,274	9,768	8,552	7,490
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	1,979	2,290	21,095	20,076	21,717
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	48,509	56,723	27,396	45,602	56,308
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>630,676</u>	<u>634,862</u>	<u>623,497</u>	<u>622,580</u>	<u>649,569</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 287,027	\$ 263,421	\$ 245,461	\$ 295,856	\$ 301,055
Public Safety	30,566	34,137	34,445	33,821	36,807
Health	18,820	19,008	20,909	23,500	23,000
Transportation	55,842	57,372	59,394	59,480	59,911
Economic Assistance and Opportunity	2,500	500	500	500	500
Culture and Recreation	8,877	9,805	9,275	7,403	8,696
Home and Community Services	6,365	5,858	6,246	6,628	8,668
Employee Benefits	99,172	107,438	98,083	83,180	96,845
Debt Service	19,925	19,175	23,300	22,300	21,300
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>\$ 529,094</u>	<u>\$ 516,714</u>	<u>\$ 497,613</u>	<u>\$ 532,668</u>	<u>\$ 556,782</u>
Excess of Revenues Over (Under) Expenditures	<u>101,582</u>	<u>118,148</u>	<u>125,884</u>	<u>89,912</u>	<u>92,787</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(141,000)	-	(114,000)	-
Total Other Financing	<u>\$ -</u>	<u>\$ (141,000)</u>	<u>\$ -</u>	<u>\$ (114,000)</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>101,582</u>	<u>(22,852)</u>	<u>125,884</u>	<u>(24,088)</u>	<u>92,787</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	342,184	443,766	420,914	546,798	522,710
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 443,766</u>	<u>\$ 420,914</u>	<u>\$ 546,798</u>	<u>\$ 522,710</u>	<u>\$ 615,497</u>

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

APPENDIX - A2
Town of New Haven

GENERAL FUND

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

Fiscal Years Ending December 31:	2021			2022
	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>
<u>REVENUES</u>				
Real Property Taxes and Items	\$ 318,625	\$ 318,625	\$ 319,051	\$ 339,560
Nonproperty Taxes	185,000	195,800	218,585	190,000
Departmental Income	850	850	1,333	850
Intergovernmental Charges	1,140	1,140	1,026	1,000
Use of Money & Property	6,905	6,905	7,790	8,708
Licenses and Permits	10,250	13,820	16,269	10,000
Fines and Forfeitures	10,000	10,000	7,490	8,000
Sale of Property and				
Compensation for Loss	-	-	-	-
Miscellaneous	19,672	19,672	21,717	19,672
Interfund Revenues	-	-	-	-
Revenues from State Sources	28,000	56,000	56,308	40,000
Revenues from Federal Sources	-	-	-	-
Total Revenues	<u>\$ 580,442</u>	<u>\$ 622,812</u>	<u>\$ 649,569</u>	<u>\$ 617,790</u>
<u>EXPENDITURES</u>				
General Government Support	\$ 324,912	\$ 346,835	\$ 301,055	\$ 355,341
Public Safety	38,443	40,528	36,807	14,264
Health	23,000	23,000	23,000	23,690
Transportation	63,487	63,487	59,911	68,000
Economic Assistance and				
Opportunity	500	500	500	500
Culture and Recreation	10,071	10,286	8,696	9,723
Home and Community Services	9,028	9,549	8,668	52,432
Employee Benefits	95,091	112,717	96,845	88,165
Debt Service	21,300	21,300	21,300	5,675
Capital Outlay	-	-	-	-
Total Expenditures	<u>\$ 585,832</u>	<u>\$ 628,202</u>	<u>\$ 556,782</u>	<u>\$ 617,790</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(5,390)</u>	<u>(5,390)</u>	<u>92,787</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other				
Sources Over (Under) Expenditures	-	-	-	-
and Other Uses	<u>(5,390)</u>	<u>(5,390)</u>	<u>92,787</u>	<u>-</u>
<u>FUND BALANCE</u>				
Fund Balance - Beginning of Year	-	-	-	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u><u>\$ (5,390)</u></u>	<u><u>\$ (5,390)</u></u>	<u><u>\$ 92,787</u></u>	<u><u>\$ -</u></u>

Source: 2021 Audited Financial Report and budgets (unaudited) of the Town. Note: This Appendix is not itself audited.

APPENDIX - A3
Town of New Haven

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>GENERAL FUNUD</u>					
Fund Equity - Beginning of Year	\$ 342,184	\$ 443,766	\$ 420,914	\$ 546,798	\$ 522,710
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	630,676	634,862	623,497	622,580	649,569
Expenditures & Other Uses	529,094	657,714	497,613	646,668	556,782
Fund Equity - End of Year	\$ 443,766	\$ 420,914	\$ 546,798	\$ 522,710	# \$ 615,497
<u>HIGHWAY FUND - TOWN WIDE</u>					
Fund Equity - Beginning of Year	\$ 219,589	\$ 234,581	\$ 242,758	\$ 206,754	\$ 444,802
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	973,742	1,151,555	1,045,355	1,159,902	1,246,025
Expenditures & Other Uses	958,750	1,143,378	1,081,359	921,854	1,402,359
Fund Equity - End of Year	\$ 234,581	\$ 242,758	\$ 206,754	\$ 444,802	\$ 288,468
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 274,865	\$ 247,901	\$ 248,632	\$ 239,761	\$ 231,200
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	463,089	488,555	539,674	543,662	545,790
Expenditures & Other Uses	490,053	487,824	548,545	552,223	551,749
Fund Equity - End of Year	\$ 247,901	\$ 248,632	\$ 239,761	\$ 231,200	\$ 225,241
<u>STREET LIGHTING FUND</u>					
Fund Equity - Beginning of Year	\$ 448	\$ 715	\$ 843	\$ 858	\$ 1,220
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	3,950	3,950	3,950	4,000	4,100
Expenditures & Other Uses	3,683	3,822	3,935	3,638	3,927
Fund Equity - End of Year	\$ 715	\$ 843	\$ 858	\$ 1,220	\$ 1,393
<u>FIRE PROTECTION FUND</u>					
Fund Equity - Beginning of Year	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	228,891	228,891	228,891	231,145	233,421
Expenditures & Other Uses	228,891	228,891	228,891	231,145	233,421
Fund Equity - End of Year	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176

APPENDIX - B
Town of New Haven

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2022	\$ 439,483.00	\$ 102,135.17	\$ 541,618.17
2023	440,583.00	99,307.47	539,890.47
2024	442,083.00	96,394.66	538,477.66
2025	434,683.00	93,736.84	528,419.84
2026	436,283.00	80,919.29	517,202.29
2027	437,483.00	88,847.41	526,330.41
2028	440,083.00	86,284.55	526,367.55
2029	441,783.00	83,719.97	525,502.97
2030	450,283.00	81,062.28	531,345.28
2031	453,983.00	78,238.03	532,221.03
2032	455,183.00	75,316.63	530,499.63
2033	456,983.00	72,401.43	529,384.43
2034	459,683.00	69,663.67	529,346.67
2035	460,983.00	66,873.71	527,856.71
2036	461,783.00	63,810.23	525,593.23
2037	464,183.00	60,745.40	524,928.40
2038	464,983.00	57,668.93	522,651.93
2039	465,783.00	54,556.58	520,339.58
2040	144,800.00	51,378.33	196,178.33
2041	146,200.00	48,191.95	194,391.95
2042	148,600.00	44,979.33	193,579.33
2043	158,500.00	41,610.06	200,110.06
2044	160,400.00	38,610.75	199,010.75
2045	161,900.00	34,516.67	196,416.67
2046	164,400.00	30,933.39	195,333.39
2047	165,900.00	27,294.95	193,194.95
2048	168,500.00	23,594.56	192,094.56
2049	170,100.00	19,864.61	189,964.61
2050	99,300.00	14,734.08	114,034.08
2051	99,800.00	12,473.26	112,273.26
2052	99,800.00	10,195.69	109,995.69
2053	99,800.00	7,928.19	107,728.19
2054	99,800.00	5,664.58	105,464.58
2055	99,800.00	3,397.51	103,197.51
2056	49,000.00	1,760.69	50,760.69
2057	49,000.00	763.19	49,763.19
Totals	\$ 10,391,894	\$ 1,829,574	\$ 12,221,468

APPENDIX - B1
Town of New Haven

Fiscal Year Ending Dec 31st	\$116,000 Town Hall 4.75%			\$74,150 2008 Water District #2 4.75-5.00%		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 5,000	\$ 675	\$ 5,675	5,000	575.00	5,575.00
2023	5,000	425	5,425	5,000	325.00	5,325.00
2024	6,000	150	6,150	4,000	100.00	4,100.00
	\$ 16,000	\$ 1,250	\$ 17,250	\$ 14,000	\$ 1,000	\$ 15,000

	\$9,701,500 Water District 3 - EFC 0.00%			\$1,103,000 Water District 4- #91-01 2.25%		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 323,383	\$ -	\$ 323,383	\$ 22,700	\$ 20,096	\$ 42,796
2023	323,383	-	323,383	23,300	19,578	42,878
2024	323,383	-	323,383	23,800	19,049	42,849
2025	323,383	-	323,383	24,400	18,506	42,906
2026	323,383	-	323,383	25,000	17,951	42,951
2027	323,383	-	323,383	25,700	17,380	43,080
2028	323,383	-	323,383	26,300	16,795	43,095
2029	323,383	-	323,383	27,000	16,196	43,196
2030	323,383	-	323,383	26,600	15,593	42,193
2031	323,383	-	323,383	28,300	14,975	43,275
2032	323,383	-	323,383	29,000	14,330	43,330
2033	323,383	-	323,383	29,800	13,669	43,469
2034	323,383	-	323,383	30,500	12,990	43,490
2035	323,383	-	323,383	31,300	12,295	43,595
2036	323,383	-	323,383	32,100	11,582	43,682
2037	323,383	-	323,383	33,000	10,850	43,850
2038	323,383	-	323,383	33,800	10,098	43,898
2039	323,383	-	323,383	34,600	9,329	43,929
2040	-	-	-	35,500	8,540	44,040
2041	-	-	-	36,400	7,731	44,131
2042	-	-	-	37,300	6,902	44,202
2043	-	-	-	38,200	6,053	44,253
2044	-	-	-	39,100	5,183	44,283
2045	-	-	-	40,100	4,292	44,392
2046	-	-	-	41,100	3,378	44,478
2047	-	-	-	42,100	2,442	44,542
2048	-	-	-	43,200	1,483	44,683
2049	-	-	-	44,300	498	44,798
	\$ 5,820,894	\$ -	\$ 5,820,894	\$ 904,500	\$ 317,762	\$ 1,222,262

APPENDIX - B2
Town of New Haven

Fiscal Year Ending Dec 31st	\$802,000 Water District 5 1.875%			\$1,651,000 Water District 6 2.50%		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 17,000	\$ 12,853	\$ 29,853	\$ 33,900	\$ 36,614	\$ 70,514
2023	17,000	12,534	29,534	33,900	35,766	69,666
2024	17,000	12,216	29,216	33,900	34,919	68,819
2025	18,000	11,888	29,888	33,900	34,071	67,971
2026	18,000	1,150	19,150	33,900	33,224	67,124
2027	18,000	11,213	29,213	33,900	32,376	66,276
2028	19,000	10,866	29,866	33,900	31,529	65,429
2029	19,000	10,509	29,509	33,900	30,681	64,581
2030	19,000	10,153	29,153	42,300	29,729	72,029
2031	20,000	9,788	29,788	42,300	28,671	70,971
2032	20,000	9,413	29,413	42,300	27,614	69,914
2033	20,000	9,038	29,038	42,300	26,556	68,856
2034	21,500	8,845	30,345	42,300	25,499	67,799
2035	21,000	8,653	29,653	42,300	24,441	66,741
2036	21,000	8,259	29,259	42,300	23,384	65,684
2037	22,000	7,856	29,856	42,300	22,326	64,626
2038	22,000	7,444	29,444	42,300	21,269	63,569
2039	22,000	7,031	29,031	42,300	20,211	62,511
2040	23,000	6,609	29,609	42,300	19,154	61,454
2041	23,000	6,178	29,178	42,300	18,096	60,396
2042	24,000	5,738	29,738	42,300	17,039	59,339
2043	24,000	5,288	29,288	50,800	15,875	66,675
2044	25,000	4,828	29,828	50,800	14,605	65,405
2045	25,000	4,359	29,359	50,800	13,335	64,135
2046	26,000	3,881	29,881	50,800	12,065	62,865
2047	26,000	3,394	29,394	50,800	10,795	61,595
2048	27,000	2,897	29,897	50,800	9,525	60,325
2049	27,000	2,391	29,391	50,800	8,255	59,055
2050	-	-	-	50,800	6,985	57,785
2051	-	-	-	50,800	5,715	56,515
2052	-	-	-	50,800	4,445	55,245
2053	-	-	-	50,800	3,175	53,975
2054	-	-	-	50,800	1,905	52,705
2055	-	-	-	50,800	635	51,435
	\$ 601,500	\$ 215,270	\$ 816,770	\$ 1,481,500	\$ 680,484	\$ 2,161,984

APPENDIX - B3
Town of New Haven

Fiscal Year Ending Dec 31st	\$644,000 Water District 7 2.250%			\$1,001,000 Water District 8 1.88%		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 12,000	\$ 13,651	\$ 25,651	\$ 20,500	\$ 17,672	\$ 38,172
2023	12,000	13,344	25,344	21,000	17,335	38,335
2024	12,500	13,068	25,568	21,500	16,894	38,394
2025	13,000	12,781	25,781	22,000	16,491	38,491
2026	13,500	12,517	26,017	22,500	16,078	38,578
2027	13,500	12,179	25,679	23,000	15,699	38,699
2028	14,000	11,870	25,870	23,500	15,225	38,725
2029	14,500	11,549	26,049	24,000	14,784	38,784
2030	14,500	11,254	25,754	24,500	14,334	38,834
2031	15,000	10,891	25,891	25,000	13,913	38,913
2032	15,000	10,554	25,554	25,500	13,406	38,906
2033	15,500	10,211	25,711	26,000	12,928	38,928
2034	15,500	9,889	25,389	26,500	12,441	38,941
2035	16,000	9,508	25,508	27,000	11,976	38,976
2036	16,000	9,148	25,148	27,000	11,438	38,438
2037	16,500	8,782	25,282	27,000	10,931	37,931
2038	16,500	8,433	24,933	27,000	10,425	37,425
2039	16,500	8,040	24,540	27,000	9,946	36,946
2040	17,000	7,663	24,663	27,000	9,413	36,413
2041	17,000	7,280	24,280	27,500	8,906	36,406
2042	17,500	6,911	24,411	27,500	8,391	35,891
2043	17,500	6,498	23,998	28,000	7,897	35,897
2044	17,500	6,645	24,145	28,000	7,350	35,350
2045	18,000	5,705	23,705	28,000	6,825	34,825
2046	18,500	5,309	23,809	28,000	6,300	34,300
2047	19,000	4,873	23,873	28,000	5,791	33,791
2048	19,500	4,440	23,940	28,000	5,250	33,250
2049	20,000	3,996	23,996	28,000	4,725	32,725
2050	20,500	3,549	24,049	28,000	4,200	32,200
2051	21,000	3,073	24,073	28,000	3,685	31,685
2052	21,000	2,601	23,601	28,000	3,150	31,150
2053	21,000	2,128	23,128	28,000	2,625	30,625
2054	21,000	1,660	22,660	28,000	2,100	30,100
2055	21,000	1,183	22,183	28,000	1,579	29,579
2056	21,000	711	21,711	28,000	1,050	29,050
2057	21,000	238	21,238	28,000	525	28,525
	\$ 611,000	\$ 272,131	\$ 883,131	\$ 942,500	\$ 341,677	\$ 1,284,177

UNDERTAKING TO PROVIDE 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 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 EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) 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 Note, 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 Note
- (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 noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

For the purposes of the event identified in paragraph (l) of this section, 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 governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

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

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

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the 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 at closing.

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TOWN OF NEW HAVEN

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING

DECEMBER 31, 2021

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

T OWN OF NEW HAVEN

FINANCIAL STATEMENTS

December 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF TRUSTEES
TOWN OF NEW HAVEN
NEW HAVEN, NEW YORK**

Report on the Audit of the Financial Statements

Adverse Opinion on Governmental Activities

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **TOWN OF NEW HAVEN**, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of New Haven as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the each major fund, and the aggregate remaining fund information of the Town of New Haven, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New Haven, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

Management has not recorded the value of liabilities assumed through the provision of other postemployment benefits to qualifying individuals employed by the Town. Accounting principles generally accepted in the United States of America require that those outstanding obligations and commitments assumed through the provision of post-retirement benefits be accrued through actuarial valuations, which would increase the liabilities, and expenses of the governmental activities, while decreasing the net position. The amount by which this departure would affect the related account of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 6-21, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (page 63), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Highway Fund (page 64), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Water Fund (page 65), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Lighting Fund (page 66), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fire Protection Fund (page 67), Schedule of the Town's Proportionate Share of the Net Pension Liability – NYSLRS Pension Plan (page 68), and the Schedule of Town's Contributions – NYSLRS Pension Plan (page 69) be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Haven's basic financial statements. The combining and individual nonmajor fund financial statements (pages 70-71), schedule of project expenditures – capital projects fund (page 72), and schedule of net investment in capital assets (page 73) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of project expenditures – capital projects fund, and schedule of net investment in capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2022, on our consideration of the Town of New Haven's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of New Haven's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of New Haven's internal control over financial reporting and compliance.

Banner & Company

Watertown, New York
July 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

This section of the Town of New Haven's annual financial report presents our discussion and analysis of the Town's financial performance during the calendar year that ended on December 31, 2021. Please read it in conjunction with the Town's financial statements, which follow this section. This discussion and analysis includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

- The Town's total net position decreased by \$253,085 (8.28%) as a result of this year's operations. A major portion of this was due to depreciation expense charges on capital assets.
- At the close of the current calendar year, the Town's governmental funds reported total ending fund balances of \$828,053, a decrease of \$246,507 (22.94%) over the prior year. The General Fund reported a fund balance of \$615,497 at 12/31/21, which was an increase of \$92,787 (17.75%) from 12/31/20.
- The Town of New Haven was able to successfully manage its operations during the unexpected COVID-19 pandemic that remained for a portion of 2021 where the emergency orders were still in place. A long-term impact is still anticipated.
- The Water District 9 project was unable to begin construction during 2021. It was delayed primarily due to the construction bids coming in much higher than the funding amount that was approved before the COVID pandemic began. The Town has since applied for a WIIA Grant to cover the unexpected increase in cost in order to keep the residents anticipated debt charge within the original voter approved amount.
- The Town received the first draw of its' ARPA funding in the amount of \$145,435 with an additional amount of \$145,435 expected in 2022. As of 12/31/2021 the Board was still undecided what Government Services they will use the funds for.
- A portion of the 2008 - \$337,371 serial bond debt issuance made its' final payment in 2021. The most recent payment for the salt barn share of the bond was \$15,375. There remains 2 years left for the Water District 2 share and the Town roof share of this bond. The last payments will be made in 2024.

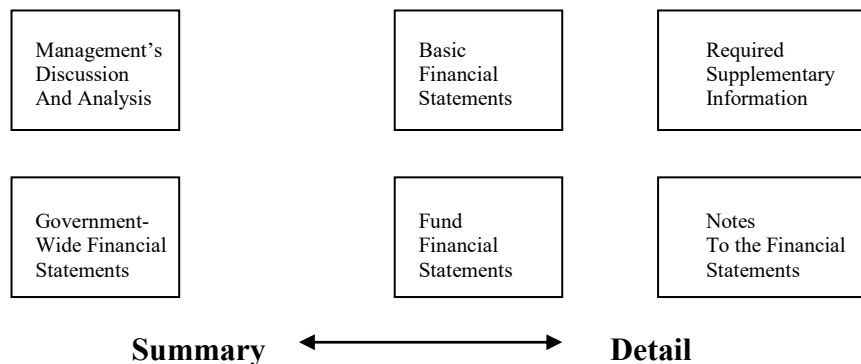
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.

Figure A-1**Required Components of the Town of New Haven’s Basic Financial Report**

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in single columns in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

Required Components of the Town of New Haven's Basic Financial Report – Continued

The following summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

Major Features of the Town of New Haven's Government-Wide Fund Financial Statements

Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets/deferred outflows and liabilities/deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Governmental activities-include most of the Town's basic services such as public works, cultural facilities, and general administration. Sales and property taxes finance most of these activities.

The two government-wide statements report the Town's net position and how they have changed. Net position, the difference between the Town's assets/deferred outflows and liabilities/deferred inflows, is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's roads.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds-not the Town as a whole. Funds are groupings of related accounts that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Town Council establishes other funds to control and manage money for particular purposes or to show how it is using certain revenue sources.

The Town has two kind of funds:

- *Governmental funds* – Most of the Town's basic services are included in government funds which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary Funds* – Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not assets held by the Town as agent for property taxes collected on behalf of other governments.

Notes to Audited Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary schedules. The *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, all funds*, – which provide budgetary comparative information for all Funds with adopted budgets, the *Schedule of Town's Proportionate Share of the Net Pension Liability – NYSLRS Pension Plan*, and the *Schedule of Town's Contributions – NYSLRS Pension Plan*. Other supplemental schedules that are not required, are included that provide information that has been combined in the governmental funds financial statements for non-major funds. Supplemental schedules provide combining information for the Street Lighting and Fire Protection Funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position - The Town's net position at December 31, 2021 amounted to \$2,803,489. Of that total, \$1,827,789 is in the form of net investment in capital assets.

Table A-1

Town of New Haven Summary of Net Position December 31, 2021 and 2020			
	Governmental Activities		Percentage Change
	2021	2020	
Assets			
Current and Other Assets	\$ 2,857,653	\$ 2,950,613	-3.2%
Capital Assets, Net	12,614,405	13,078,868	-3.6%
Total Assets	<u>\$ 15,472,058</u>	<u>\$ 16,029,481</u>	-3.5%
Deferred Outflows of Resources			
Pensions	\$ 369,248	\$ 318,627	15.9%
Total Deferred Outflows of Resources	<u>\$ 369,248</u>	<u>\$ 318,627</u>	15.9%
Liabilities			
Current Liabilities	\$ 662,764	\$ 522,805	26.8%
BAN Payable	1,840,000	1,840,000	100.0%
Long-Term Liabilities	10,125,935	10,914,018	-7.2%
Total Liabilities	<u>\$ 12,628,699</u>	<u>\$ 13,276,823</u>	-4.9%
Deferred Inflows of Resources			
Pensions	\$ 409,118	\$ 14,711	2681.0%
Total Deferred Inflows of Resources	<u>\$ 409,118</u>	<u>\$ 14,711</u>	2681.0%
Net Position			
Net Investment in Capital Assets	\$ 1,827,789	\$ 2,017,443	-9.4%
Restricted	70,460	70,409	0.1%
Unrestricted	905,240	968,722	-6.6%
Total Net Position	<u>\$ 2,803,489</u>	<u>\$ 3,056,574</u>	-8.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE -

Continued

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

	2021	2020
Cost of Capital Assets	\$ 23,299,349	\$ 22,796,203
Accumulated Depreciation	(10,684,944)	(9,717,335)
	<u>\$ 12,614,405</u>	<u>\$ 13,078,868</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities recorded in the government-wide statements year-end consist of:

	2021	2020
Governmental Activities:		
Bonds Payable	\$ 10,483,894	\$ 10,935,877
Compensated Absences	80,262	41,979
Net Pension Liability - Proportionate Share	1,362	388,145
	<u>10,565,518</u>	<u>11,366,001</u>
Less: Current Portion of Long-Term Debt	(439,583)	(451,983)
	<u>\$ 10,125,935</u>	<u>\$ 10,914,018</u>

The Town's net position from its governmental activities reflects its investment in capital assets (buildings, infrastructure such as roads, water, and machinery and equipment), net of any related debt used to acquire those assets that is still outstanding. The Town has sufficient funds to meet requirements for cash outlays in the next year as well as the financial capacity to meet its long-term obligations. The Town's policy has been to make reasonable and continuous efforts to fund all long-term liabilities.

Changes in Net Position – The Town's total governmental general revenues for calendar year 2021 as per the Statement of Activities were \$2,644,519. Property and sales taxes totaled \$2,091,009 and accounted for 79.07% of total governmental revenues. The Town's total governmental revenues increased by \$197,230 or 8.06% over fiscal year 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE -
Continued**

The total cost of the Town's governmental programs and services was \$2,897,604 in calendar year 2021, which was an increase of \$117,898 (4.24%) over fiscal year 2020. The Town's expenses cover a range of services, including public safety, public works, culture and recreation and social and economic programs.

Table A-2

**Town of New Haven
Summary of Changes in Net Position
December 31, 2021 and 2020**

	Governmental Activities		Percentage
	2021	2020	Change
Revenues			
Program Revenues:			
Charges for Services	\$ 239,361	\$ 229,717	4.2%
Operating Grants and Contributions	192,839	99,179	94.4%
General Revenues:			
Property Taxes	1,872,424	1,858,501	0.7%
Nonproperty Tax Items	218,585	183,700	19.0%
Gain on Sale/Disposal of Capital Assets	33,038	-	100.0%
Interest and Earnings	2,087	2,370	-11.9%
Use of Property	7,559	7,980	-5.3%
Miscellaneous State Aid	56,308	45,602	23.5%
Miscellaneous Local Sources	22,318	20,240	10.3%
Total Revenues	<u>2,644,519</u>	<u>2,447,289</u>	8.1%
Expenses			
General Government	345,601	358,804	-3.7%
Public Safety	270,228	264,966	2.0%
Health	27,416	30,037	-8.7%
Transportation	1,255,410	1,135,827	10.5%
Economic Assistance and Opportunity	500	500	0.0%
Culture and Recreation	8,999	7,852	14.6%
Home and Community Services	870,841	868,505	0.3%
Interest on Long-Term Debt	118,609	113,215	4.8%
Total Expenses	<u>2,897,604</u>	<u>2,779,706</u>	4.2%
Changes in Net Position	(253,085)	(332,417)	-23.9%
Net Position-Beginning of Year	<u>3,056,574</u>	<u>3,388,991</u>	-9.8%
Net Position-End of Year	<u>\$ 2,803,489</u>	<u>\$ 3,056,574</u>	-8.3%

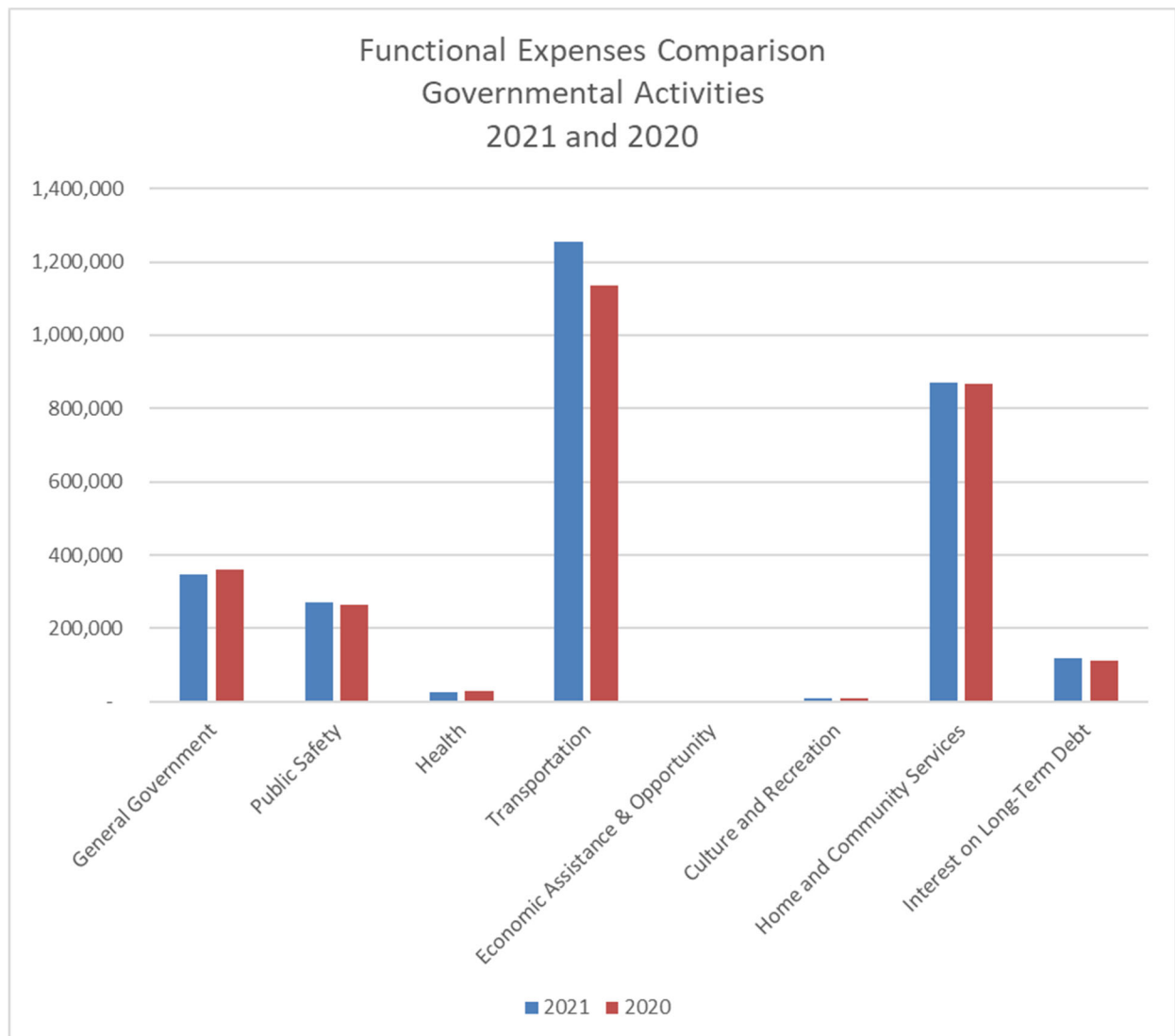
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –
Continued

Governmental Activities

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the Town's governmental activities for fiscal year 2021 and in comparison to fiscal year 2020.

Graph 1 : Functional Expenses – 2021 Compared to 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

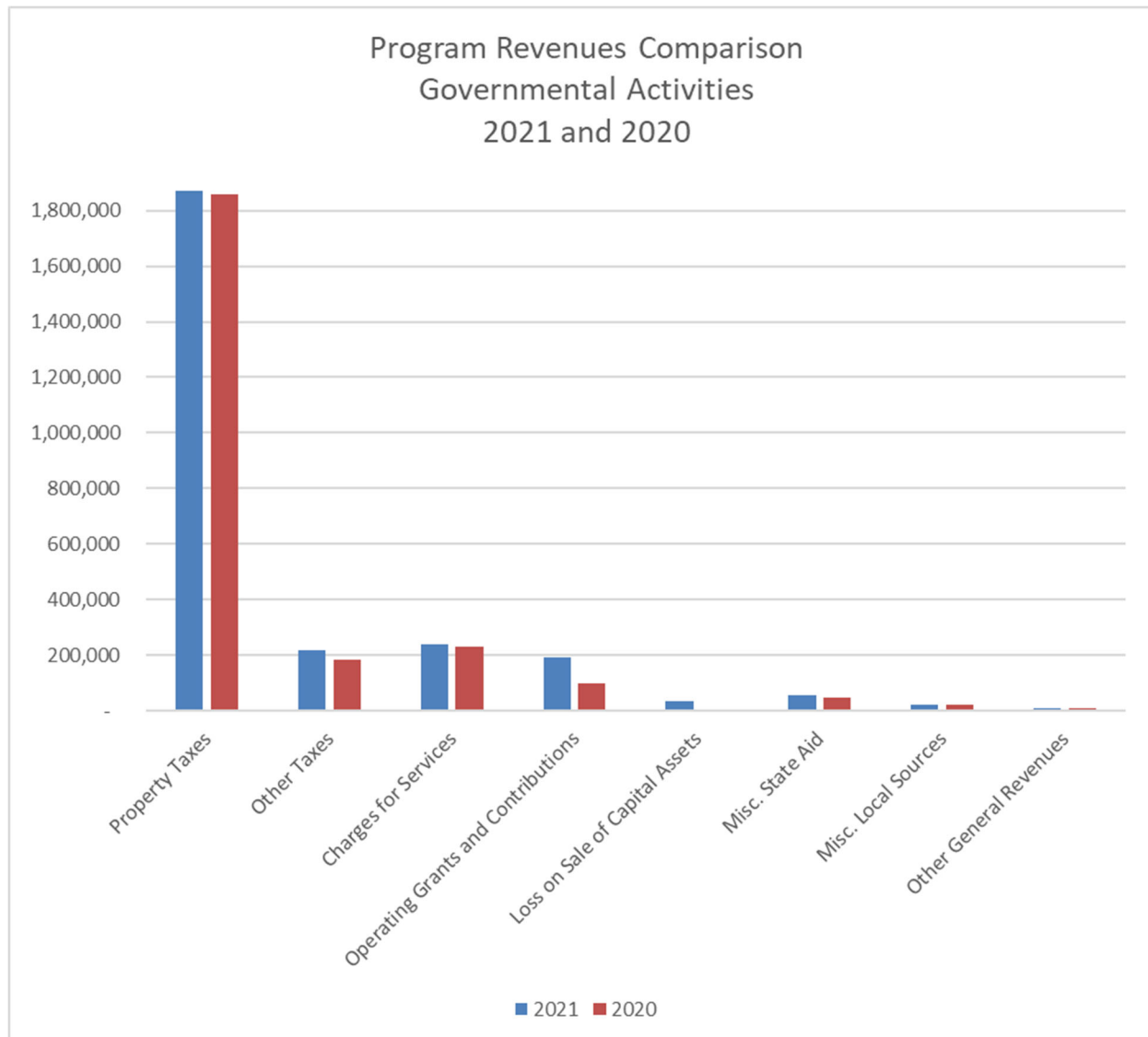
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –

Continued

Governmental Activities – Continued

Graph 1.1 : Program Revenues – 2021 Compared to 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

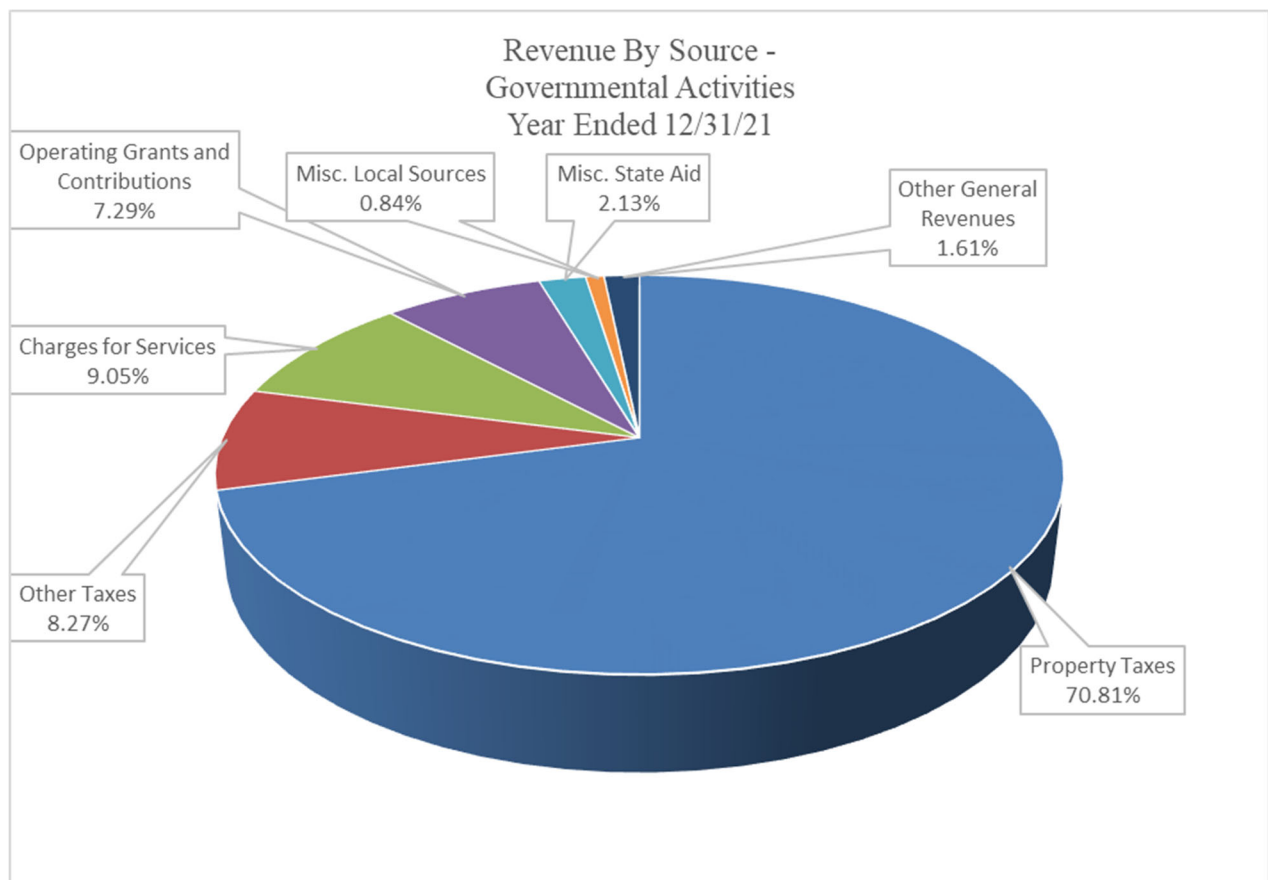
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –

Continued

Governmental Activities – Continued

Graph 2 : Revenue by Source



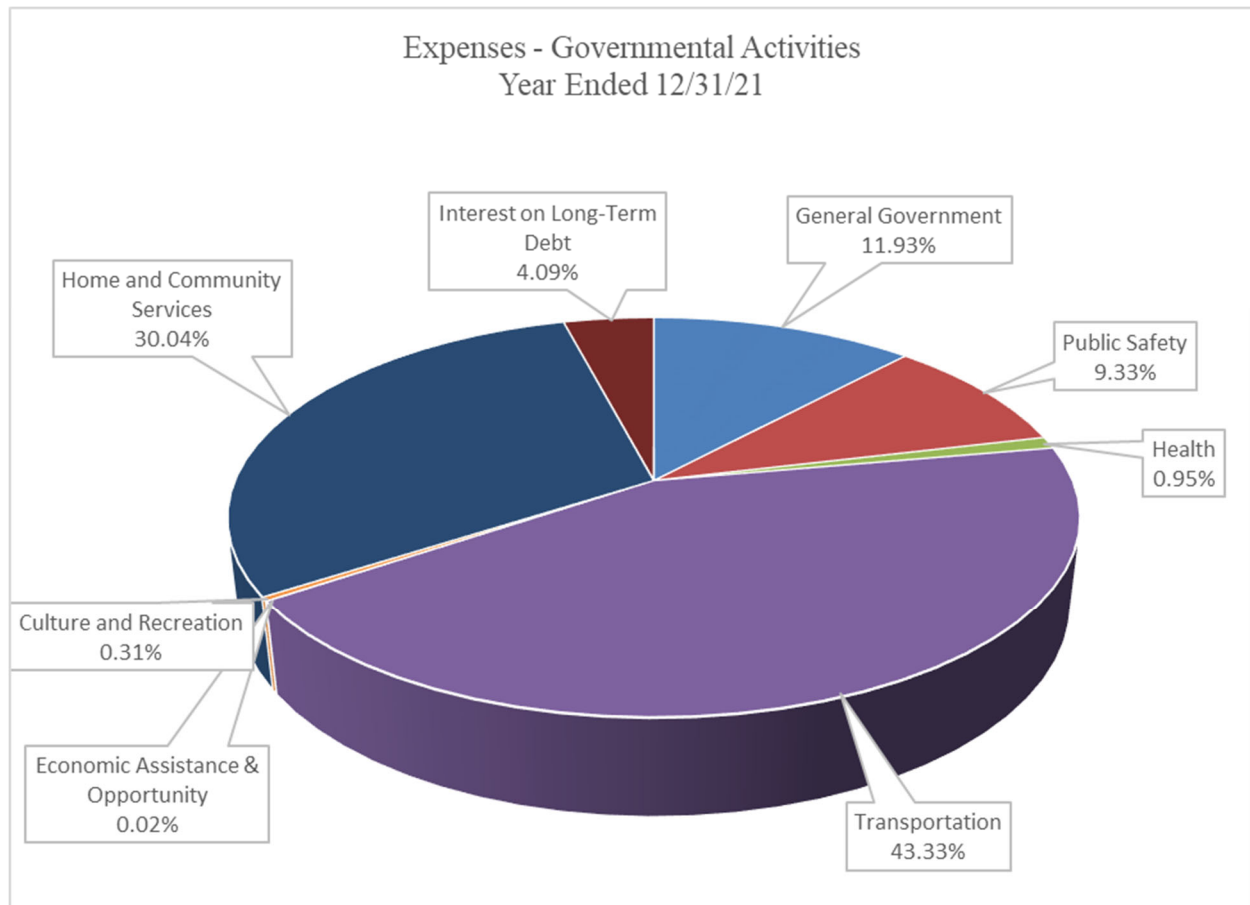
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –
Continued

Governmental Activities – Continued

Graph 3 : Expenses by Type

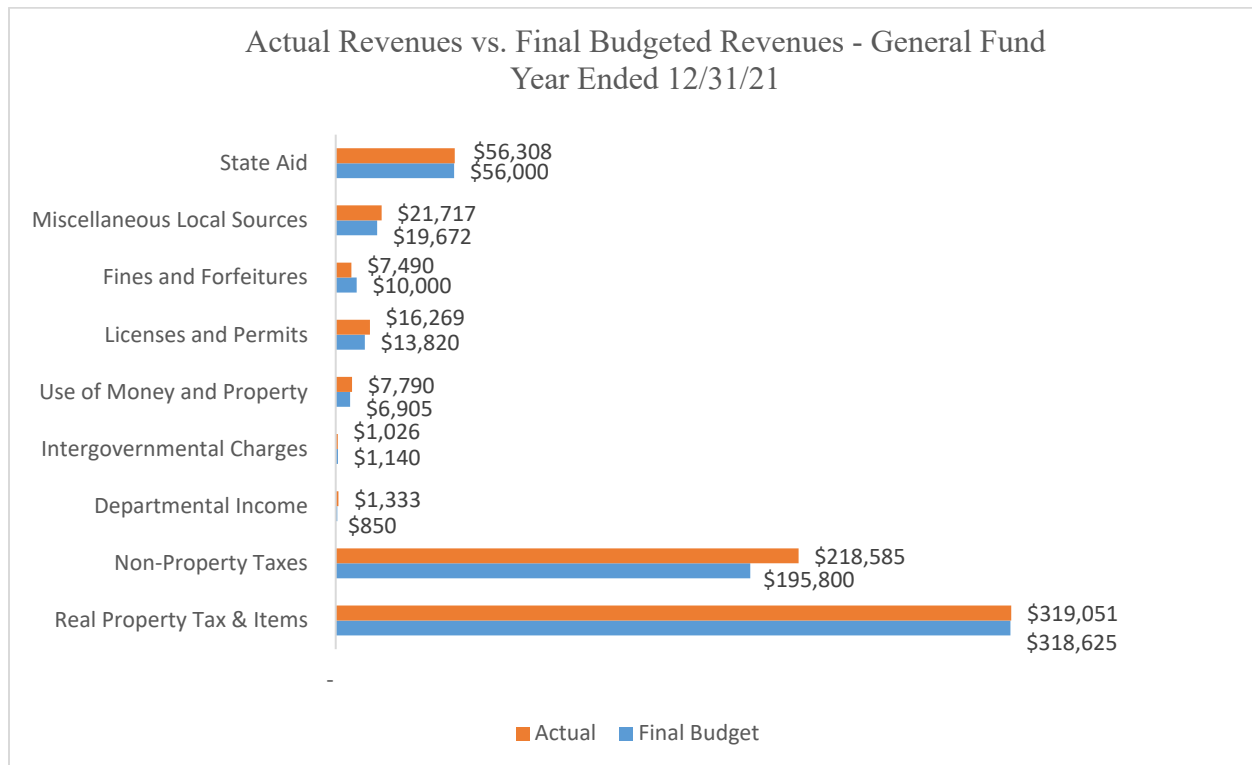


MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –
Continued**

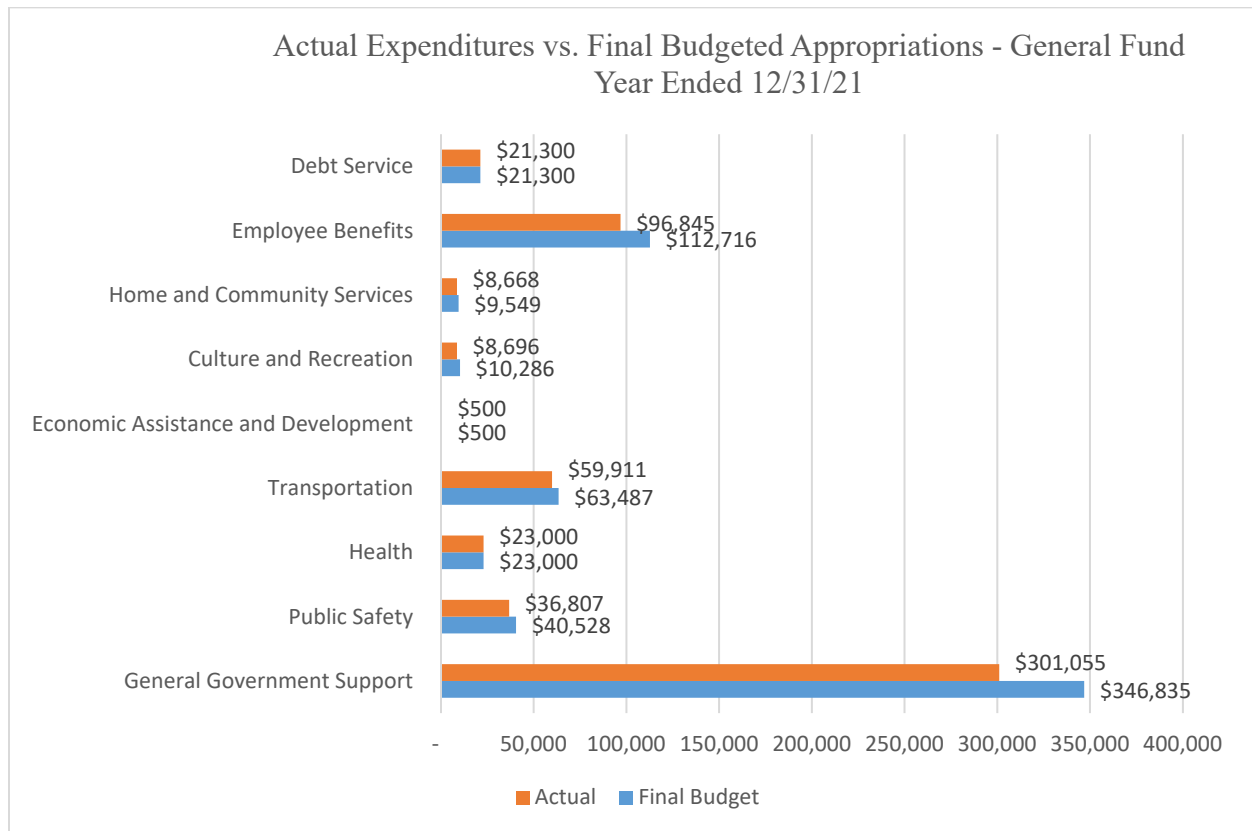
As of December 31, 2021, the governmental funds reported a combined fund balance of \$828,053; a \$246,507 or 22.94% decrease over 2020.

General Fund Budgetary Highlights**Graph 4: Actual Revenues Compared to Final Budgeted Revenues**

Revenue in the General Fund exceeded the budget by \$26,757 or 4.30%. Most of this difference can be attributed to an unexpected increase in Non-Property Taxes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE –
Continued****General Fund Budgetary Highlights – Continued****Graph 5 : Actual Expenditures Compared to Final Budgeted Appropriations**

Expenditures in the General Fund were under final appropriated budget amounts by \$71,420 or 11.37%. The difference is attributed to contractual expenses that were under budget due to the conservative approach in response to the continuing COVID-19 pandemic and employee benefit costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The Town's investment in capital assets, net of accumulated depreciation for governmental activities as of December 31, 2021 was \$12,614,405. The total decrease in net capital assets from the prior year was 3.55% for governmental activities. Capital additions during the year included continued highway improvements of roads and equipment purchases for various departments. See Note 5 to the financial statements for additional information about changes in capital assets during the year.

Table A-3

**Town of New Haven
Capital Assets, Net
December 31, 2021 and 2020**

	Governmental Activities	
	2021	2020
Non Depreciable Assets:		
Construction in Progress	\$ 259,089	\$ 96,451
Depreciable Assets:		
Buildings and Improvements	1,804,341	1,804,341
Other Improvements	19,877,882	19,610,561
Furniture and Office Equipment	22,497	13,849
Machinery and Equipment	1,335,540	1,271,001
Total Depreciable Assets:	<u>23,299,349</u>	<u>22,796,203</u>
Less: Accumulated Depreciation	<u>(10,684,944)</u>	<u>(9,717,335)</u>
Total Capital Assets, Net	<u>\$ 12,614,405</u>	<u>\$ 13,078,868</u>

During the year ended December 31, 2019, the Board approved resolution for a capital project to establish Water District 9 with a total budgeted project cost of \$3,240,000. The project is to be funded with a loan of \$1,840,000 and a grant of \$1,400,000 through USDA. During the year ended December 31, 2021, the board approved to extend the total project costs up to \$4,019,102 and has submitted for additional grant funding through the Water Infrastructure Improvement Act (WIIA) up to a potential amount of \$1,570,000 of additional grant funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**Long-Term Debt**

At year-end, the Town had \$10,483,894 in bonds outstanding; a \$451,983 decrease from the prior year. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

There were no new serial bond issues or capital note issues during the year.

Property taxes for the Town of New Haven debt financing purposes have remained relatively stable and within the allowed NYS Property Tax Cap. The Town of New Haven has been able to both expand and maintain its infrastructure.

Table A-4

Town of New Haven Outstanding Bonds December 31, 2021 and 2020		
	Governmental Activities	
	2021	2020
Total Serial Bonds	\$ 10,483,894	\$ 10,935,877

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time the financial statements were prepared and audited, the Town was aware of several circumstances that could affect its future financial health. The Town is continuing to see growth with the addition of two commercial businesses, a Dollar General and Circle T Enterprises, a concrete plant.

Many factors were considered by the Town's administration during the process of developing the 2022 budget. Factors such as the New York State Property Tax Cap Law, continued development of the Town's water service areas, ongoing contract negotiations for the Highway Department and the anticipated annual increase in costs to provide necessary services to its residents were all discussed.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - Continued

The 2022 budget was passed as follows: The Town was able to stay under the tax cap total by approximately \$35,229 without the use of fund balance. Within the budget the General Fund appropriations were \$617,790 with \$332,560 to be raised by taxes; while the 2022 Highway Fund appropriations were \$1,096,240 with \$789,883 to be raised by taxes, a total increase for both funds from the previous year of \$31,740. The Town's taxable assessed value increased \$3.7 million which in turn helped during the budget process to keep the tax rate lower for the Town residents.

After the budget was passed the Bargaining agreement was approved at the November 30, 2021 meeting. Insurance changes due to bargaining agreement will result in future savings beginning in 2022 of approximately \$25,000 per year. This will undoubtedly be reflected in the 2023 budget.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

Principal Officers

The elected members of the Town of New Haven, Town Council are as follows:

Name of Official	Title	Term of Office
Daniel Barney	Supervisor	12/31/24
Tim Tiefke	Deputy Supervisor	12/31/24
Patricia Prosser	Councilwoman	12/31/24
Mary Curcio	Councilwoman	12/31/24
Frederick Wilbur	Councilman	12/31/23

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of New Haven's Office, P.O. Box 141, New Haven, NY 13121.

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

December 31, 2021

ASSETS

Cash and Cash Equivalents:		
Unrestricted	\$	1,199,204
Restricted		1,618,949
Receivables:		
Due from Other Governments		80
Other		2,779
Prepaid Expenses		36,641
Capital Assets, Net		12,614,405
TOTAL ASSETS	\$	15,472,058

DEFERRED OUTFLOWS OF RESOURCES

Pension	\$	369,248
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	369,248

LIABILITIES

Payables:		
Accounts Payable and Accrued Expenses	\$	30,996
Accrued Interest on BAN and Bonds Payable		33,581
Other Accrued Liabilities		9,704
Due to Other Governments		3,438
Bond Anticipation Note Payable		1,840,000
Unearned Revenue		145,462
Long-Term Liabilities:		
Due Within One Year:		
Current Portion of Bonds Payable		439,583
Due in More Than One Year:		
Bonds Payable, Net		10,044,311
Compensated Absences Payable		80,262
Net Pension Liability - Proportionate Share		1,362
TOTAL LIABILITIES	\$	12,628,699

DEFERRED INFLOWS OF RESOURCES

Pension	\$	409,118
TOTAL DEFERRED INFLOWS OF RESOURCES	\$	409,118

NET POSITION

Net Investment in Capital Assets	\$	1,827,789
Restricted for:		
Highway Fund Capital Reserve		20,375
Tax Stabilization Reserve		50,085
Unrestricted		905,240
TOTAL NET POSITION	\$	2,803,489

See notes to audited basic financial statements.

STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES

Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government Support	\$ 345,601	\$ 27,992	\$ -	\$ -	\$ (317,609)
Public Safety	270,228	7,490	-	-	(262,738)
Health	27,416	-	-	-	(27,416)
Transportation	1,255,410	197,386	192,839	-	(865,185)
Economic Assistance and Opportunity	500	-	-	-	(500)
Culture and Recreation	8,999	-	-	-	(8,999)
Home and Community Services	870,841	6,493	-	-	(864,348)
Interest on Long-Term Debt	118,609	-	-	-	(118,609)
Total Governmental Activities	<u>\$ 2,897,604</u>	<u>\$ 239,361</u>	<u>\$ 192,839</u>	<u>\$ -</u>	<u>(2,465,404)</u>

GENERAL REVENUES:

Real Property Taxes	1,872,424
Other Tax Items	218,585
Gain on Disposal/Sale of Capital Assets	33,038
Interest and Earnings	2,087
Use of Property	7,559
Other State Aid	56,308
Miscellaneous Local Sources	22,318
Total General Revenues	<u>2,212,319</u>
Change in Net Position	(253,085)
Net Position, Beginning of Year	<u>3,056,574</u>
Net Position, End of Year	<u>\$ 2,803,489</u>

See notes to audited basic financial statements.

TOWN OF NEW HAVEN

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2021

	<u>General</u>	<u>Highway</u>	<u>Water</u>	<u>Capital Projects</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents:						
Unrestricted	\$ 693,569	\$ 279,108	\$ 224,958	\$ -	\$ 1,569	\$ 1,199,204
Restricted	50,085	20,375	-	1,548,489	-	1,618,949
Receivables:						
Due from Other Governments	80	-	-	-	-	80
Other	2,496	-	283	-	-	2,779
Prepaid Expenditures	24,300	12,341	-	-	-	36,641
TOTAL ASSETS	<u>\$ 770,530</u>	<u>\$ 311,824</u>	<u>\$ 225,241</u>	<u>\$ 1,548,489</u>	<u>\$ 1,569</u>	<u>\$ 2,857,653</u>
LIABILITIES						
Accounts Payable	\$ 5,991	\$ 13,794	\$ -	\$ 11,211	\$ -	\$ 30,996
Accrued Liabilities	142	9,562	-	-	-	9,704
Due to Other Governments	3,438	-	-	-	-	3,438
Unearned Revenue	145,462	-	-	-	-	145,462
Bond Anticipation Note Payable	-	-	-	1,840,000	-	1,840,000
Total Liabilities	<u>155,033</u>	<u>23,356</u>	<u>-</u>	<u>1,851,211</u>	<u>-</u>	<u>2,029,600</u>
FUND BALANCES (DEFICITS)						
Nonspendable	24,300	12,341	-	-	-	36,641
Restricted	50,085	20,375	-	-	-	70,460
Assigned Appropriated	-	-	12,388	-	-	12,388
Assigned Unappropriated	-	255,752	212,853	-	1,569	470,174
Unassigned (Deficits)	541,112	-	-	(302,722)	-	238,390
Total Fund Balances (Deficits)	<u>615,497</u>	<u>288,468</u>	<u>225,241</u>	<u>(302,722)</u>	<u>1,569</u>	<u>828,053</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 770,530</u>	<u>\$ 311,824</u>	<u>\$ 225,241</u>	<u>\$ 1,548,489</u>	<u>\$ 1,569</u>	<u>\$ 2,857,653</u>

See notes to audited basic financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2021

Total Fund Balance - Governmental Funds \$ 828,053

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

Proportionate share of long-term liability associated with participation in state retirement system is not current financial resources or obligations and is not reported in the fund statements:

Net Pension Liability-Proportionate Share - ERS (1,362)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore are not reported in the funds statements:

Pensions 369,248

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements:

Pensions (409,118)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of Capital Assets	\$ 23,299,349	
Accumulated Depreciation	(10,684,944)	12,614,405

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	10,483,894	
Accrued Interest on BAN and Bonds Payable	33,581	
Compensated Absences Payable	80,262	(10,597,737)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 2,803,489

TOWN OF NEW HAVEN

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(DEFICITS) - GOVERNMENTAL FUNDS**

Year Ended December 31, 2021

	General	Highway	Water	Capital Projects	Total Non-Major Funds	Total Governmental Funds
REVENUES						
Real Property Taxes	\$ 312,087	\$ 778,834	\$ 537,018	\$ -	\$ 237,521	\$ 1,865,460
Real Property Tax Items	6,964	-	-	-	-	6,964
Nonproperty Tax Items	218,585	-	-	-	-	218,585
Departmental Income	1,333	-	6,493	-	-	7,826
Intergovernmental Charges	1,026	197,386	-	-	-	198,412
Use of Money and Property	7,790	178	1,678	-	-	9,646
Licenses and Permits	16,269	-	-	-	-	16,269
Fines and Forfeitures	7,490	-	-	-	-	7,490
Sale of Property	-	67,424	-	-	-	67,424
Miscellaneous Local Sources	21,717	9,364	601	-	-	31,682
State Aid	56,308	192,839	-	-	-	249,147
Total Revenues	649,569	1,246,025	545,790	-	237,521	2,678,905
EXPENDITURES						
General Government Support	301,055	35	85	-	-	301,175
Public Safety	36,807	-	-	-	233,421	270,228
Health	23,000	-	-	-	-	23,000
Transportation	59,911	1,146,755	-	-	3,927	1,210,593
Economic Assistance and Opportunity	500	-	-	-	-	500
Culture and Recreation	8,696	-	-	-	-	8,696
Home and Community Services	8,668	-	15,720	-	-	24,388
Capital Outlay	-	-	-	162,638	-	162,638
Employee Benefits	96,845	255,569	-	-	-	352,414
Debt Service, Principal	20,000	-	431,983	-	-	451,983
Debt Service, Interest	1,300	-	103,961	14,536	-	119,797
Total Expenditures	556,782	1,402,359	551,749	177,174	237,348	2,925,412
Excess (Deficiency) of Revenues Over Expenditures	92,787	(156,334)	(5,959)	(177,174)	173	(246,507)
Net Change in Fund Balances	92,787	(156,334)	(5,959)	(177,174)	173	(246,507)
Fund Balances (Deficit), Beginning of Year	522,710	444,802	231,200	(125,548)	1,396	1,074,560
Fund Balances (Deficit), End of Year	\$ 615,497	\$ 288,468	\$ 225,241	\$ (302,722)	\$ 1,569	\$ 828,053

See notes to audited basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (246,507)

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

Capital outlays to purchase or build capital assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and gain on sale/disposal of assets exceeds proceeds from sale of assets and insurance recoveries and capital outlays:

Capital Outlays	\$ 699,099	
Gain on Sale/Disposal of Assets	33,038	
Proceeds from Sale of Assets and Insurance Recoveries	(67,424)	
Depreciation Expense	<u>(1,129,176)</u>	(464,463)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal Payments - Bonds	451,983
----------------------------	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest expense reported in the Statement of Activities is decreased by the net decrease in accrued interest on debt.

1,188

(Increases) decreases in proportionate share of net pension liability and related deferred outflows/inflows for the employees' retirement system reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

42,997

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

Change in Compensated Absences	<u>(38,283)</u>
--------------------------------	-----------------

Change in Net Position of Governmental Activities \$ (253,085)

STATEMENT OF FIDUCIARY NET POSITION

Year Ended December 31, 2021

	Custodial Fund
	<hr/>
ASSETS	
Restricted Cash	<hr/> \$ -
TOTAL ASSETS	<hr/> <hr/> \$ -
NET POSITION	
Restricted	<hr/> \$ -
TOTAL NET POSITION	<hr/> <hr/> \$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2021

	<u>Custodial Fund</u>
ADDITIONS	
Taxes Collected for Other Governments (Water Relevy)	<u>\$ 45,807</u>
Total Additions	<u>45,807</u>
DEDUCTIONS	
Payments of Tax to Other Governments (Water Relevy)	<u>45,807</u>
Total Deductions	<u>45,807</u>
Change in Net Position Held in Trust	-
NET POSITION, BEGINNING OF YEAR	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ -</u></u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The Town of New Haven (Town), is governed by the general laws of the State of New York and various local laws. The Town Council is the legislative body responsible for overall operations. The Supervisor serves as Chief Executive Officer and the Chief Fiscal Officer.

The accounting policies of the Town conform to generally accepted accounting principles as applied to government units. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

The Town is a municipal corporation with a four-member board.

The Town provides a full range of municipal services including public works activities, fire protection, water services, town highway maintenance, improvements and construction, planning and development, and general and administrative services.

The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The accompanying financial statements present all funds and activities of the Town.

Joint Venture

Inter-Municipal Water Service Agreements

The Town has inter-municipal water service agreements with the Town of Scriba, NY for the operation and maintenance of its water service areas 1 through 7. These agreements outline the respective responsibilities of each town. As per each agreement, the Town of Scriba assumes the responsibility for the daily operations of each district, and that all rents, charges and other revenues collected from the customers are the property of the Town of Scriba. However, the Town of New Haven retains ownership of the systems. The Town of New Haven is solely responsible for any unpaid indebtedness and for upgrades necessary to comply with any Federal, State, or local law, rule or regulation. The Town of New Haven's financial records account for each water district's debt payments and cash balances available to pay the debt, while the Town of Scriba accounts for all other revenue and expenditures related to the water districts in its financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Joint Venture – Continued

The Town of New Haven has inter-municipal water service agreement with the Village of Mexico, NY for the operation and maintenance of service area 8. This agreement outlines the respective responsibilities of each municipality. As per each agreement, the Village of Mexico assumes the responsibility for the daily operation of the district, and that all rents, charges and other revenues collected from the customers are the property of the Village of Mexico. However, the Town of New Haven retains ownership of the system. The Town of New Haven is solely responsible for any unpaid indebtedness and for upgrades necessary to comply with any Federal, State, or local law, rule or regulation. The Town of New Haven's financial records account for the water district's debt payments and cash balances available to pay the debt, while the Village of Mexico accounts for all other revenue and expenditures related to the water district in its financial statements.

The Town of New Haven has inter-municipal water supply agreement with the Town of Mexico, NY for the supply of water from its water service area 8 system to property owners within the Town of Mexico. This agreement outlines the respective responsibilities of each municipality. As per each agreement, the Town of Mexico assumes the responsibility for the daily operation of the district, and that all rents, charges and other revenues collected from the customers are the property of the Town of New Haven. While the Town of New Haven retains ownership of water service area 8 system, the Town of Mexico and its property owners maintain ownership of the portion of the system they installed to supply water to residents of the Town of Mexico. The Town of Mexico agrees to remit to the Town of New Haven the special tax assessment they collected from the property owners and shall pay such monies to the Town of New Haven by March 1st of each year. The Town of New Haven and the Town of Mexico's financial records account for their respective water district's debt payments and cash balances available to pay the debt, while the Town of New Haven accounts for all other revenue and expenditures related to the water district in its financial statements.

Inter-Municipal Code Enforcement Agreement

The Town of New Haven has an inter-municipal code enforcement agreement with the Town of Mexico, NY in which the Towns agree to share the service of the same individual to serve as their code enforcement officer. This agreement outlines the respective responsibilities of each Town. The Town of Mexico assumes the responsibility of providing and maintaining a vehicle in which services may be provided to both municipalities with the Town of New Haven providing reimbursement for mileage. The Town of New Haven and the Town of Mexico will cover one half of remaining expenses incurred.

Copies of these agreements may be obtained by writing the Town Clerk, Town of New Haven, P.O. Box 141, New Haven, NY 13121.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements. The focus is on the Town as a whole and the fund financial statements, including the major individual funds of the activities. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the government-wide statement of net position, the governmental activities column is reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The government-wide statement of activities reflects both the gross and net cost per functional category (general government, public safety, transportation, economic assistance and opportunity, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions.

Program revenues must be directly associated with the function (general government, public safety, transportation, economic assistance and opportunity, etc.). Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants and contributions.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's operations.

Fund Financial Statements

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements – Continued

The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted.

The Town reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the Town. It accounts for all financial resources of the general government except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

Highway Fund – The Highway Fund is used to account for all related revenues and expenditures for, but not limited to, road repair, reconstruction and maintenance, and snow removal, which are not required to be accounted for in the Town's General Fund.

Water Fund – The Water Fund is used to account for the proceeds of specific tax revenue sources that are legally restricted to expenditures for water services.

Capital Projects Fund - The Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund for reporting purposes.

The Town reports the following fiduciary funds:

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

The Town reports one class of fiduciary funds:

Custodial Funds account for assets that are being held for individuals, private organizations, or other governments that are not held in a trust. Assets are held by the Town as agent for property taxes collected on behalf of other governments.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source, and expenditures or expenses by function.

Economic Resources Measurement Focus and Accrual Basis

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Real and personal property taxes are recognized in the period for which levied, provided the Town has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements are met.

Current Financial Resources Measurement Focus and Modified Accrual Basis

The governmental fund financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized in the period in which they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Financial Statement Presentation

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Special Districts

Included within the boundaries of the Town are fire, lighting, and water districts. Each of these districts are created by the Town, administered by the Town Board and the full faith and credit of the Town is pledged to secure district indebtedness. However, each district constitutes a separate and distinct political subdivision and, to that extent other revenues are insufficient to meet operating costs, is to be supported solely by real property taxes or assessments levied against property within the district. Each districts operation is accounted for in a separate special revenue fund.

Special district construction projects and other expenditures financed through the issuance of capital indebtedness are accounted for in the capital projects fund.

Property Taxes

Real property taxes are levied annually by the Town Board no later than November 15th. Taxes were collected during the period January 1st through May 31, 2021.

Uncollected real property taxes are subsequently enforced by Oswego County. The County pays the amount representing uncollected real property taxes transmitted to the County for enforcement to the Town.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the Town's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Certain proceeds of debt issuances and certain deposits that have been limited as to usage pursuant to donor restrictions have been classified as restricted cash on the balance sheet.

Cash and cash equivalents are restricted when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Receivables

The Town uses the direct write-off method for uncollectible accounts receivable. The Town expects all receivables to be fully collectable within the first three months of the subsequent year.

Property taxes are recorded as revenue in the year they are levied. Oswego County pays the amounts representing uncollected real property taxes levied by the Town following the end of the collection period. Amounts are transmitted to the County for enforcement for the Town should they become delinquent, therefore there is no amount of taxes receivable for the Town at the end of the calendar year.

Prepaid Items

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**Capital Assets**

Capital assets, which include land, buildings, improvements, machinery, equipment and construction in progress, are reported in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of more than \$1,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Capital assets (excluding land) are depreciated using the straight-line method over the following estimated useful lives:

Town Buildings and Improvements	20-40 years
Furniture and Office Equipment	5 years
Machinery and Equipment	5-12 years

Compensated Absences

The Town accrues compensated absences when vested. Compensated absences are recorded in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Vacation leave eligibility and accumulation is specified in the Town's contract with the Teamsters Local 317. Eligible employees are granted paid vacation leave in varying amounts, based primarily on length of service. Employees are allowed to accrue unused vacation time for use in future periods. Any accrued vacation leave remaining at the employee's termination of employment for lack of work, sickness or injury, shall be fully payable to the employee at their current rate of pay.

Sick leave eligibility and accumulation is specified in the Town's Employee Union contracts. For the year ended December 31, 2021, an eligible employee may accumulate sick leave credits to a maximum of one hundred and seventy-five days. When an eligible employee is terminated from employment, retires, or is deceased, the Town will pay for 75% of days of accumulated sick leave at their current rate of pay.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences – Continued

Personal and bereavement leave eligibility and accumulation is specified in the Town's Employee Union contracts. An eligible employee will be credited with seven days of paid personal leave and three to four days of paid bereavement leave on an annual basis. An employee may not accumulate personal leave credits. Upon separation of employment, all personal leave benefits are forfeited.

Other Benefits

Town employees participate in the New York State Employees' Retirement System.

In addition to providing pension benefits, the Town provides health insurance coverage to all eligible Highway Department employees. The Town shares the cost of the health insurance premiums for qualifying employees and dependents. Upon retirement, the Town has agreed to contribute up to a certain amount monthly for health insurance premiums, based on years of service.

The Town has established a pay-as-you-go approach for funding all benefits.

Short-Term Debt

The Town may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the statement of net position.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. The item is related to pensions reported in the government-wide statement of net position. Pension related deferred outflows of resources may occur due to differences between expected and actual experience, changes in actuarial assumptions, the net difference between projected and actual investment earnings on pension plan assets, and changes in proportion and differences between employer contributions and proportionate share of contributions and employer contributions made subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The Town has one item that qualifies for reporting in this category. It is related to pensions reported in the government-wide statement of net position. Pension related deferred inflows of resources may occur due to differences between expected and actual experience, changes in actuarial assumptions, the net difference between projected and actual investment earnings on pension plan assets, and changes in proportion and differences between employer contributions and proportionate share of contributions and employer contributions made subsequent to the measurement date.

Equity ClassificationsGovernment-Wide Statements

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

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Unrestricted Net Position – reports all other net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

Fund Statements

Fund balance is the excess of assets over liabilities in a governmental fund. There are five separate components of fund balance, each of which identifies to what extent the Town is bound to honor constraints on the specific purpose for which amounts can be spent. The five components are:

Nonspendable – The portion of a fund balance that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted – The portion of a fund balance that has constraints placed on the use of resources that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The Town has established the following restricted fund balances:

Tax Stabilization Reserve

According to General Municipal Law §6-e, expenditures made from the tax stabilization reserve must be used to finance certain unanticipated revenue losses or unanticipated expenditures chargeable to the “eligible portion of the annual budget,” and to lessen or prevent projected increases in excess of 2 ½ percent of the amount of the real property tax levy needed to finance the eligible portion of the annual budget. The reserve was created by resolution of the governing board. Generally, the reserve may be used only upon recommendation of the chief executive officer and resolution adopted by at least two-thirds a vote of the government board. This reserve is accounted for in the General Fund.

Reserve for Highway Capital Projects

According to General Municipal Law § 6-c and 6-g, funds must be used to establish a reserve fund for purchase and acquisition of highway equipment and repair of Town roads. This reserve is accounted for in the Highway Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued**Equity Classifications – Continued**

Restricted fund balance includes the following at December 31, 2021:

General Fund:

Tax Stabilization Reserve	\$ 50,085
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Highway Fund:

Capital Projects Reserve	20,375
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	<u>\$ 70,460</u>
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Committed – The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town and remain binding unless removed in the same manner. The Town has no committed fund balances of December 31, 2021.

Assigned – The portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established either by the Town Council or by an official designated for that purpose. The Town Board has authorized the Supervisor to assign fund balance.

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

Order of Use of Fund Balance

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for the funds other than the General Fund are classified as assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2021, the Town implemented the following new statements issued by GASB:

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 90, *Majority Equity Interests- an amendment of GASB Statements No. 14 and No. 61*.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

Future Changes in Accounting Standards

GASB has issued Statement No. 87, *Leases*, effective for the fiscal year ending December 31, 2022.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2022.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending December 31, 2022.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, which was effective for the year ending December 31, 2020, except for GASB No. 93 paragraphs 13-14 will be effective for the year ending December 31, 2022.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for the year ending December 31, 2022.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future Changes in Accounting Standards – Continued

GASB has issued Statement No. 99, *Omnibus 2022*, effective for the year ending December 31, 2024.

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

Subsequent Events

The Town has evaluated events and transactions that occurred between December 31, 2021 and July 12, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. Management has determined that no such events have occurred.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND GOVERNMENT-WIDE
STATEMENTS**

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions.

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) vs. Statement of Activities

Differences between the funds statement of revenues, expenditures, and changes in fund balances (deficits) and the statement of activities fall into one of four broad categories. The amounts shown below represent:

1. Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

2. Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the statement of activities.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND GOVERNMENT-WIDE
STATEMENTS - Continued**

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) vs. Statement of Activities – Continued

3. Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statement, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

4. Pension Differences:

Pension differences occur as a result of changes in the Town's proportion of the collective net pension liability and differences between the Town's contributions and its proportionate share of the total contributions to the pension systems.

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budgets and Budgetary Accounting

Prior to the November meeting, the Supervisor submits a tentative budget to the Town Council for the year commencing January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds. After public hearings are conducted no later than November 1, to obtain taxpayer comments, the governing board adopts the budget. All budget modifications must be approved by the governing board.

The General Fund Budget was amended from \$585,832 to \$628,202 to reflect the following:

Increase Non-Property Taxes and Licenses and Permits for \$10,800 and \$3,570, respectively, and corresponding expenditures.

Additional State Aid of \$28,000 related to Mortgage Tax, to cover additional contractual costs.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY – Continued**

Budgets and Budgetary Accounting – Continued

The Highway Fund Budget was amended from \$1,064,574 to \$1,601,392 to reflect the following:

Purchase of a snowplow truck for \$228,000, by increasing appropriated fund balance by \$228,000.

Increase appropriation by \$45,089 for expenditures related to employee benefit costs.

Increase CHIPS State Aid and related expenditures of \$192,840.

Sale of property of \$18,570 and services to other governments by \$3,465 to cover additional contractual costs.

Increase sale of property and compensation by \$48,854 for insurance recovery and purchase of replacement vehicle.

The Water Fund Budget was amended from \$552,029 to \$552,089 to reflect the following:

Increase of appropriations by \$60 for other expenditures and increase in receipt of revenue from use of money and property and departmental income.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the supplementary schedules for the General Fund, Highway Fund, Water Fund, Street Lighting Funds, and Fire Protection Fund, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the Funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each year.

Deficit Fund Balance

The Capital Projects Fund shows an unassigned deficit fund balance of \$302,722 at December 31, 2021. The deficit is attributed to the current project that is in process in which either permanent financing has not been obtained or grant reimbursement requests have not been submitted within 90 days of December 31. The deficits will be funded through future anticipated grant revenues, transfers from the General Fund, or permanent debt financing.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 4 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

The Town of New Haven's investment policies are governed by state statutes. In addition, the Town of New Haven has its own written investment policy. Town of New Haven's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Town management is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and other U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed above.

The Town does not typically purchase investments, other than stated above, and is not exposed to any material interest rate risk.

The Town does not typically purchase investments denominated in foreign currency and is not exposed to foreign currency risk.

Collateral is required for demand and time deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Pooled Accounts

The following funds participated in pooled checking and money market accounts:

General Fund	\$ 432,171
Lighting Fund	1,393
Fire Protection Fund	<u>176</u>
Total Pooled Book Balance	<u>\$ 433,740</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

**NOTE 4 – CASH AND CASH EQUIVALENTS – CUSTODIAL
CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE
AND FOREIGN CURRENCY RISKS – Continued****Deposits**

The Town's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Town's name	\$ 2,349,802

Restricted Cash

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for specific purposes. Restricted cash as of December 31, 2021 includes \$1,618,949 within the governmental funds.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 5 – CAPITAL ASSETS, NET

Capital asset balances and activity were as follows:

	Beginning Balance	Increases	Reclass- ifications	Decreases	Ending Balance
Governmental Activities:					
Construction in Progress	\$ 96,451	\$ 162,638	\$ -	\$ -	\$ 259,089
Buildings and Improvements	1,804,341	-	-	-	1,804,341
Other Improvements	19,610,561	267,321	-	-	19,877,882
Furniture and Office Equipment	13,849	8,648	-	-	22,497
Machinery and Equipment	1,271,001	260,492	-	195,953	1,335,540
Total	<u>22,796,203</u>	<u>699,099</u>	<u>-</u>	<u>195,953</u>	<u>23,299,349</u>
Less - Accumulated Depreciation for:					
Buildings and Improvements	654,599	50,357	-	-	704,956
Other Improvements	8,269,236	984,984	-	-	9,254,220
Furniture and Office Equipment	9,581	3,113	-	-	12,694
Machinery and Equipment	783,919	90,722	-	161,567	713,074
Total Accumulated Depreciation	<u>9,717,335</u>	<u>1,129,176</u>	<u>-</u>	<u>161,567</u>	<u>10,684,944</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 13,078,868</u>	<u>\$ (430,077)</u>	<u>\$ -</u>	<u>\$ 34,386</u>	<u>\$ 12,614,405</u>

Depreciation expense was charged to governmental functions as follows:

General Government Support	\$ 32,935
Transportation	250,880
Home and Community Services	<u>845,361</u>
Total Depreciation Expense	<u>\$ 1,129,176</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 – SHORT-TERM DEBT

Short-term debt may be authorized and issued to fund capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuances of bond anticipation notes (BANs).

Transactions in short-term debt for the year are summarized below:

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	10/21/2021	0.79%	\$ 1,840,000	\$ -	\$(1,840,000)	\$ -
BAN	10/21/2022	0.72%	-	1,840,000	-	1,840,000
	Total		<u>\$ 1,840,000</u>	<u>\$ 1,840,000</u>	<u>\$(1,840,000)</u>	<u>\$ 1,840,000</u>

Interest on short-term debt for the year was composed of:

Interest Paid	\$	14,536
Less: Interest Accrued in the Prior Year		(2,828)
Plus: Interest Accrued in the Current Year		<u>2,577</u>
Total Interest on Short-Term Debt	\$	<u>14,285</u>

The BAN was issued as temporary financing until grant funding and permanent financing are obtained for the water district project.

NOTE 7 – LONG-TERM DEBT OBLIGATIONS

The Town obtains long-term financing for most capital projects, such as acquisition of equipment, construction of building and infrastructure, or improvements through the issuance of general obligation serial bonds. General obligation bonds are secured by the full faith and credit of the Town. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital asset.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 7 – LONG-TERM DEBT OBLIGATIONS – Continued

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Serial Bonds	\$ 10,935,877	\$ -	\$ 451,983	\$ 10,483,894	\$ 439,583
Compensated Absences Payable	41,979 *	38,283	-	80,262	-
Net Pension Liability-Proportionate Share	388,145 *	-	(368,783)	1,362	-
Total Long-Term Liabilities	<u>\$ 11,366,001</u>	<u>\$ 38,283</u>	<u>\$ 83,200</u>	<u>\$ 10,565,518</u>	<u>\$ 439,583</u>

*Additions and deletions to compensated absences and net pension liability-proportionate share are shown net since it is impractical to determine these amounts separately.

Long-term debt obligations payable at December 31, 2021 consist of the following for governmental activities:

	Issue Date	Final Maturity	Interest Rate	Amount Outstanding at 12/31/21
Bonds:				
Serial Bond 2008 - Water District # 2	8/2008	4/2024	4.75%	\$ 14,000
Serial Bond 2008 - Town Hall Roof	8/2008	4/2024	4.75%	16,000
Serial Bond 2009 - Water District #3	4/2009	4/2039	0.00%	5,820,894
Serial Bond 2011 - Water District #4	10/2011	4/2049	2.25%	904,500
Serial Bond 2014 - Water District #5	4/2014	4/2052	1.875%	694,000
Serial Bond 2016 - Water District #6	2/2016	2/2055	2.50%	1,481,000
Serial Bond 2018 - Water District #7	4/2018	4/2057	2.25%	611,000
Serial Bond 2018 - Water District #8	11/2018	9/2057	1.875%	942,500
Total Long-Term Debt Obligations				<u>\$ 10,483,894</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 7 – LONG-TERM DEBT OBLIGATIONS - Continued

The following is a summary of debt service requirements at year-end December 31:

Years	Principal	Interest
2022	\$ 439,583	\$ 102,136
2023	440,683	99,307
2024	442,183	96,395
2025	434,783	93,737
2026	436,383	91,261
Thereafter	8,290,279	1,348,235
	<u>\$ 10,483,894</u>	<u>\$ 1,831,071</u>

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 105,261
Less: Interest Accrued in the Prior Year	(31,941)
Plus: Interest Accrued in the Current Year	<u>31,004</u>
Total Interest on Long-Term Debt	<u>\$ 104,324</u>

NOTE 8 – PENSION PLANS**Employees' Retirement System (ERS) Plan Description**

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued

Employees' Retirement System (ERS) Plan Description – Continued

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, NY 12244.

ERS Benefits ProvidedBenefits

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require 10 years of service credit to be 100 percent vested.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for 5 years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for 5 years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for 5 years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued**Funding Policies**

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

Contributions are paid annually based on the ERS' fiscal year which ends on March 31st. The expected annual contribution to the System is based on the ERS reports provided to the Town. Contributions for the current year and two preceding years were equal to 100% of the contributions required. The Town chose to prepay the required contributions by December 31, 2021 and received an overall discount of \$724. The Town of New Haven's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

	2021	2020	2019
ERS - Employer Contributions	\$ 87,780	\$ 73,071	\$ 75,894

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the Town exercised.

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

At December 31, 2021, the Town reported the following liabilities for their proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021 for ERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in a report provided to the Town.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued

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

	<u>ERS</u>
Measurement Date	March 31, 2021
Town's Proportionate Share of the Net Pension Liability	\$ 1,362
Town's Portion (%) of the Plan's Total Net Pension Liability	0.0013681%
Change in Proportion Since the Prior Measurement Date	-0.0000977%

For the year ended December 31, 2021, the Town recognized a pension benefit of \$42,997 for ERS. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Employees' Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 16,637	\$ -
Changes of Assumption	250,478	4,724
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	391,325
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	36,298	13,069
Town Contributions Subsequent to Measurement Date	<u>65,835</u>	<u>-</u>
Total	<u>\$ 369,248</u>	<u>\$ 409,118</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS - Continued

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

The Town reported \$65,835 as deferred outflows of resources related to pensions resulting from Town of New Haven's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the Town will be recognized in pension expense for the year ended as follows:

	ERS
2022	\$ (14,472)
2023	232
2024	(17,238)
2025	(74,227)
2026	-
Thereafter	-

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement Date	March 31, 2021
Actuarial Valuation Date	April 1, 2020
Interest Rate	5.9%
Salary Scale	4.4%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.7%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued**Actuarial Assumptions – Continued**

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

The actuarial assumptions used in the April 1, 2020 valuation is based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the ERS target asset allocation as of March 31, 2021 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic/Absolute Return Strategy	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	<u>100%</u>	

Discount Rate

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – PENSION PLANS – Continued**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 5.9% for ERS, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

Employees' Retirement System	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension (Asset) Liability	\$ 378,114	\$ 1,362	\$ (346,091)

Pension Plan Fiduciary Net Position

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

	ERS (In Thousands)
Measurement Date	March 31, 2021
Employer's Total Pension Liability	\$ 220,680,157
Plan Net Position	(220,580,583)
Employer's Net Pension Liability	<u>\$ 99,574</u>
Ratio of Plan Net Position to the Employer's Total Pension Liability	99.95%

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

There were no interfund receivables and payables at December 31, 2021. There were no transfers between funds during the year ended December 31, 2021.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 10 – COMMITMENTS AND CONTINGENCIES**Risk Financing and Related Insurance**General Information

The Town of New Haven is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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

NOTE 11 – FUND BALANCES (DEFICITS)

The following is a summary of the Governmental Fund balances (deficits) of the Town at the year ended December 31, 2021:

	<u>General</u>	<u>Highway</u>	<u>Water</u>	<u>Capital Projects</u>	<u>Total Non- Major</u>	<u>Total Governmental Funds</u>
FUND BALANCES (DEFICITS)						
Nonspendable	\$ 24,300	\$ 12,341	\$ -	\$ -	\$ -	\$ 36,641
Restricted						
Tax Stabilization	50,085	-	-	-	-	50,085
Capital	-	20,375	-	-	-	20,375
Assigned						
Designated for Next Fiscal Year	-	-	12,388	-	-	12,388
Unappropriated	-	255,752	212,853	-	1,569	470,174
Unassigned						
General Fund	541,112	-	-	-	-	541,112
Capital Projects Funds	-	-	-	(302,722)	-	(302,722)
Total Governmental Fund	<u>\$ 615,497</u>	<u>\$ 288,468</u>	<u>\$ 225,241</u>	<u>\$ (302,722)</u>	<u>\$ 1,569</u>	<u>\$ 828,053</u>

TOWN OF NEW HAVEN

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND**

Year Ended December 31, 2021

	Budgeted Amounts			Variance With
	Original	Final	Actual Amounts	Final Budget Over/(Under)
REVENUES				
Real Property Taxes	\$ 311,875	\$ 311,875	\$ 312,087	\$ 212
Real Property Tax Items	6,750	6,750	6,964	214
Non-Property Taxes	185,000	195,800	218,585	22,785
Departmental Income	850	850	1,333	483
Intergovernmental Charges	1,140	1,140	1,026	(114)
Use of Money and Property	6,905	6,905	7,790	885
Licenses and Permits	10,250	13,820	16,269	2,449
Fines and Forfeitures	10,000	10,000	7,490	(2,510)
Miscellaneous Local Sources	19,672	19,672	21,717	2,045
State Aid	28,000	56,000	56,308	308
Total Revenues	580,442	622,812	649,569	26,757
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	-
Total Revenues and Other Financing Sources	580,442	622,812	649,569	26,757
EXPENDITURES				
General Government Support	324,912	346,835	301,055	(45,780)
Public Safety	38,443	40,528	36,807	(3,721)
Health	23,000	23,000	23,000	-
Transportation	63,487	63,487	59,911	(3,576)
Economic Assistance and Development	500	500	500	-
Culture and Recreation	10,071	10,286	8,696	(1,590)
Home and Community Services	9,028	9,549	8,668	(881)
Employee Benefits	95,091	112,717	96,845	(15,872)
Debt Service, Principal	20,000	20,000	20,000	-
Debt Service, Interest	1,300	1,300	1,300	-
Total Expenditures	585,832	628,202	556,782	(71,420)
OTHER FINANCING USES				
Operating Transfers Out	-	-	-	-
Total Expenditures and Other Financing Uses	585,832	628,202	556,782	(71,420)
Net Change in Fund Balances	\$ (5,390)	\$ (5,390)	92,787	\$ 98,177
Fund Balance, Beginning of Year			522,710	
Fund Balance, End of Year			\$ 615,497	

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – HIGHWAY FUND

Year Ended December 31, 2021

	Budgeted Amounts			Variance With
	Original	Final	Actual Amounts	Final Budget Over/(Under)
REVENUES				
Real Property Taxes	\$ 778,834	\$ 778,834	\$ 778,834	\$ -
Intergovernmental Charges	189,840	193,305	197,386	4,081
Use of Money and Property	400	400	178	(222)
Sale of Property	-	67,424	67,424	-
Miscellaneous Local Sources	3,500	3,500	9,364	5,864
State Aid	92,000	284,840	192,839	(92,001)
Total Revenues	1,064,574	1,328,303	1,246,025	(82,278)
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	-
Total Revenues and Other Financing Sources	1,064,574	1,328,303	1,246,025	(82,278)
EXPENDITURES				
General Government Support	-	35	35	-
Transportation	855,742	1,324,703	1,146,755	(177,948)
Employee Benefits	208,832	276,654	255,569	(21,085)
Total Expenditures	1,064,574	1,601,392	1,402,359	(199,033)
OTHER FINANCING USES				
Operating Transfers Out	-	-	-	-
Total Expenditures and Other Financing Uses	1,064,574	1,601,392	1,402,359	(199,033)
Net Change in Fund Balances	\$ -	\$ (273,089)	(156,334)	\$ 116,755
Fund Balance, Beginning of Year			444,802	
Fund Balance, End of Year			\$ 288,468	

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – WATER FUND

Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over/(Under)
	Original	Final		
REVENUES				
Real Property Taxes	\$ 537,018	\$ 537,018	\$ 537,018	\$ -
Departmental Income	2,700	2,710	6,493	3,783
Use of Money and Property	-	50	1,678	1,628
Miscellaneous Local Sources	-	-	601	601
Total Revenues	<u>539,718</u>	<u>539,778</u>	<u>545,790</u>	<u>6,012</u>
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	-
Total Revenues and Other Financing Sources	<u>539,718</u>	<u>539,778</u>	<u>545,790</u>	<u>6,012</u>
EXPENDITURES				
General Government Support	50	110	85	(25)
Home and Community Services	16,034	16,034	15,720	(314)
Debt Service, Principal	431,983	431,983	431,983	-
Debt Service, Interest	103,962	103,962	103,961	(1)
Total Expenditures	<u>552,029</u>	<u>552,089</u>	<u>551,749</u>	<u>(340)</u>
OTHER FINANCING USES				
Operating Transfers Out	-	-	-	-
Total Expenditures and Other Financing Uses	<u>552,029</u>	<u>552,089</u>	<u>551,749</u>	<u>(340)</u>
Net Change in Fund Balances	<u>\$ (12,311)</u>	<u>\$ (12,311)</u>	(5,959)	<u>\$ 6,352</u>
Fund Balance, Beginning of Year			<u>231,200</u>	
Fund Balance, End of Year			<u>\$ 225,241</u>	

See paragraph on supplementary schedules included in independent auditor's report.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – STREET LIGHTING FUND**

Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over/(Under)
	Original	Final		
REVENUES				
Real Property Taxes	\$ 4,100	\$ 4,100	\$ 4,100	\$ -
Total Revenues	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>-</u>
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	-
Total Revenues and Other Financing Sources	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>-</u>
EXPENDITURES				
Transportation	4,100	4,100	3,927	(173)
Total Expenditures	<u>4,100</u>	<u>4,100</u>	<u>3,927</u>	<u>(173)</u>
OTHER FINANCING USES				
Operating Transfers Out	-	-	-	-
Total Expenditures and Other Financing Uses	<u>4,100</u>	<u>4,100</u>	<u>3,927</u>	<u>(173)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	173	<u>\$ 173</u>
Fund Balance, Beginning of Year			<u>1,220</u>	
Fund Balance, End of Year			<u>\$ 1,393</u>	

See paragraph on supplementary schedules included in independent auditor's report.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – FIRE PROTECTION FUND**

Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over/(Under)
	Original	Final		
REVENUES				
Real Property Taxes	\$ 233,421	\$ 233,421	\$ 233,421	\$ -
Total Revenues	<u>233,421</u>	<u>233,421</u>	<u>233,421</u>	<u>-</u>
OTHER FINANCING SOURCES				
Operating Transfer In	-	-	-	-
Total Revenues and Other Financing Sources	<u>233,421</u>	<u>233,421</u>	<u>233,421</u>	<u>-</u>
EXPENDITURES				
Public Safety	<u>233,421</u>	<u>233,421</u>	<u>233,421</u>	<u>-</u>
Total Expenditures	<u>233,421</u>	<u>233,421</u>	<u>233,421</u>	<u>-</u>
OTHER FINANCING USES				
Operating Transfers Out	-	-	-	-
Total Expenditures and Other Financing Uses	<u>233,421</u>	<u>233,421</u>	<u>233,421</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, Beginning of Year			<u>176</u>	
Fund Balance, End of Year			<u>\$ 176</u>	

See paragraph on supplementary schedules included in independent auditor's report.

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – NYSLRS PENSION PLAN
LAST SEVEN FISCAL YEARS**

December 31, 2021

Employees' Retirement System (ERS)	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.0013681%	0.0014658%	0.0015232%	0.0014554%	0.0016482%	0.0017554%	0.0016606%
Town's Proportionate Share of the Net Pension Liability	\$ 1,362	\$ 388,145	\$ 107,922	\$ 46,973	\$ 154,872	\$ 281,740	\$ 56,098
Town's Covered - Employee Payroll	\$ 522,605	\$ 480,900	\$ 505,738	\$ 490,942	\$ 457,727	\$ 477,181	\$ 453,597
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.26%	80.71%	21.34%	9.57%	33.84%	59.04%	12.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

10 years of historical information was not available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

SCHEDULE OF TOWN'S CONTRIBUTIONS – NYSLRS PENSION PLAN
LAST SEVEN FISCAL YEARS
Year Ended December 31, 2021

Employees' Retirement System (ERS)	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 87,780	\$ 73,071	\$ 75,894	\$ 77,922	\$ 68,861	\$ 72,281	\$ 83,905
Contributions in Relation to the Contractually Required Contribution	<u>87,780</u>	<u>73,071</u>	<u>75,894</u>	<u>77,922</u>	<u>68,861</u>	<u>72,281</u>	<u>83,905</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered - Employee Payroll	\$ 522,605	\$ 480,900	\$ 505,738	\$ 490,942	\$ 457,727	\$ 477,181	\$ 453,597
Contributions as a Percentage of Covered - Employee Payroll	16.80%	15.19%	15.01%	15.87%	15.04%	15.15%	18.50%

10 years of historical information was not available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

SUPPLEMENTARY INFORMATION

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Street Lighting Fund	Fire Protection Fund	Totals
ASSETS			
Cash - Unrestricted	\$ 1,393	\$ 176	\$ 1,569
Total Assets	<u>\$ 1,393</u>	<u>\$ 176</u>	<u>\$ 1,569</u>
FUND BALANCE			
Assigned:			
Unappropriated	\$ 1,393	\$ 176	\$ 1,569
Total Fund Balance	<u>1,393</u>	<u>176</u>	<u>1,569</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,393</u>	<u>\$ 176</u>	<u>\$ 1,569</u>

See paragraph on supplementary schedules included in independent auditor's report.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES (DEFICITS) – NON-MAJOR GOVERNMENTAL FUNDS**

Year Ended December 31, 2021

	Street Lighting Fund	Fire Protection Fund	Totals
Revenues			
Real Property Taxes	\$ 4,100	\$ 233,421	\$ 237,521
Total Revenues	4,100	233,421	237,521
Expenditures			
Public Safety	-	233,421	233,421
Transportation	3,927	-	3,927
Total Expenditures	3,927	233,421	237,348
Excess (Deficiency) of Revenues Over Expenditures	173	-	173
Fund Balance - Beginning of Year	1,220	176	1,396
Fund Balance - End of Year	\$ 1,393	\$ 176	\$ 1,569

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF PROJECT EXPENDITURES – CAPITAL PROJECTS FUND

Year Ended December 31, 2021

PROJECT TITLE	Original Appropriation	Revised Appropriation	Project Expenditures			Unexpended Balance	Methods of Financing				Total	Fund Balance (Deficit) as of 12/31/21
			Prior Years	Current Year	Cumulative Total		Proceeds of Obligations	State Aid	Federal Aid	Local Sources		
Capital Project Water Service Area No. 9	\$ 3,240,000	\$ 4,019,102	\$ 125,548	\$ 177,174	\$ 302,722	\$ 3,716,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,722)
Total	\$ 3,240,000	\$ 4,019,102	\$ 125,548	\$ 177,174	\$ 302,722	\$ 3,716,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,722)

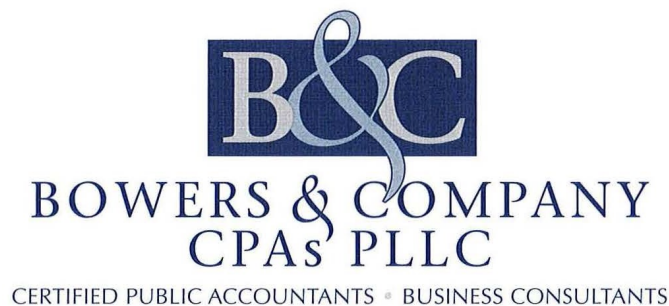
See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS

Year Ended December 31, 2021

Capital Assets, Net		\$	12,614,405
Deduct:			
Bond Anticipation Note Payable	\$	1,840,000	
Less: Unspent Bond Anticipation Note Proceeds		(1,537,278)	
Short-Term Portion of Serial Bonds Payable		439,583	
Long-Term Portion of Serial Bonds Payable		<u>10,044,311</u>	<u>10,786,616</u>
Net Investment in Capital Assets		\$	<u>1,827,789</u>

See paragraph on supplementary schedules included in independent auditor's report.



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

**TO THE BOARD OF TRUSTEES
TOWN OF NEW HAVEN
NEW HAVEN, NEW YORK**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of New Haven as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of New Haven's basic financial statements and have issued our report thereon dated July 12, 2022.

Report on Internal Control Over Financial Reporting

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

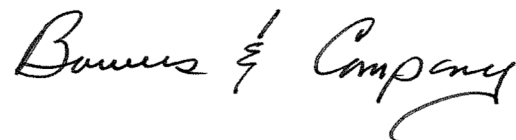
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Banner & Company". The script is cursive and fluid, with a large, stylized 'B' and 'C'.

Watertown, New York
July 12, 2022



CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

To the Town Council
Town of New Haven, New York

In planning and performing our audit of the financial statements of Town of New Haven as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated July 12, 2022, on the financial statements of Town of New Haven.

Increase the Threshold for Capitalization of Fixed Assets

It was found that the Town is currently using \$1,000 as a capitalization threshold to capitalize and depreciate assets over their useful lives for government-wide financial statements.

Recommendation

Our recommendation would be to review the threshold and potentially increase the capitalization threshold to \$2,500 or upwards to \$5,000 to avoid having to keep ongoing records for items of relatively small value. The capitalization policy should be updated to reflect the increased amount and communicate the policy change to those who are responsible to ensure the updated policy is consistently followed.

Management's Response

This will be presented to the Town Board and discussed for consideration as part of a Capitalization Policy.

Capital Fund General Ledger Closing Process

It was found that the Capital Fund is not being closed at each year-end December 31 within the general ledger software. Therefore, the financial reports are rolling for each project and not properly stated in accordance with accounting standards for each calendar year.

Recommendation

Our recommendation is to follow the Town's closing process for the capital projects fund as it does for all of the Town's other funds for each calendar year within the general ledger software.

Management's Response

We will reach out to the software vendor to see if there is a closing process that will meet the recommendation. Currently, the past procedure we have been using had been accepted by past auditors.

Whistleblower Policy

It was noted that the Town does not have a written whistleblower policy to follow.

Recommendation

Based on amendments to Section 740 of New York State Labor Law, effective January 26, 2022, all employers having at least one employee must have a whistleblower policy. Therefore, we recommend the Town adopt a formal written policy and distribute to all employees in accordance with the labor law.

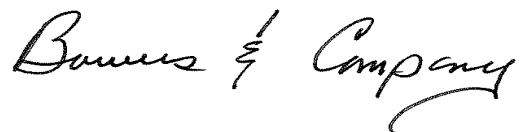
Management's Response

This will be presented to the Town Board and discussed for consideration.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Town personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Town Council, and others within the Town, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in dark ink and is positioned to the right of the "Sincerely," text.

Watertown, New York
July 12, 2022



July 12, 2022

To Town Council
Town of New Haven, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of New Haven for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of New Haven are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by Town of New Haven during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of depreciation is based on economic useful lives of capital asset classes.

Management estimates actuarial assumptions that are used to determine pension liability and annual pension cost for the year in accordance with GASB Statement No. 68.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 12, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of New Haven's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of New Haven's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *management's discussion and analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – General Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Highway Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Water Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Street Lighting Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Fire Protection Fund, Schedule of Town's Proportionate Share of the Net Pension Liability –NYSLRS Pension Plan, and Schedule of the Town's Contributions – NYSLRS Pension Plan*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on *Combined Balance Sheet – Special Revenue Fund, Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)- Special Revenue Fund, Schedule of Project Expenditures – Capital Projects Fund, and Schedule of Net Investment in Capital Assets*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Town Council and management of Town of New Haven and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company

Attached Material Misstatements Corrected by Management:

Government-Wide Financials

Non-Current Governmental Liabilities:

Adjusting Journal Entries JE # 1

Reverse off BAN, reported in Capital Fund

W626	BAN	1,840,000.00	
W129	Total Noncurrent Govtl Liabilities		1,840,000.00
Total		1,840,000.00	1,840,000.00

Adjusting Journal Entries JE # 2

To report ERS deferred inflows

W129	Total Noncurrent Govtl Liabilities	409,118.00	
W697	Deferred Inflows		409,118.00
Total		409,118.00	409,118.00

Non-Current Governmental Assets:

Adjusting Journal Entries JE # 1

To adjust fixed assets to actual net balances at YE

K105	Construction in Progress	162,638.00	
K159	Total Noncurrent Govtl Assets	715,764.00	
K103	Improvements other than Buildings		845,361.00
K104	Equipment		33,041.00
Total		878,402.00	878,402.00

Fund Financials

General Fund

Adjusting Journal Entries JE # 2

To report nonspendable fund balance to match prepaid exp balances.

917	Unassigned FB	24,300.00	
806	Not in Spendable Form		24,300.00
Total		24,300.00	24,300.00

Fund Financials - Continued

Water Fund

Adjusting Journal Entries JE # 1

To record 2022 budget appropriations

915	Assigned Unappropriated Fund Balance	12,388.00	
914	Assigned Appropriated Fund Balance		12,388.00
Total		12,388.00	12,388.00

Capital Fund

Adjusting Journal Entries JE # 1

To record accounts payable for expenditures incurred through 12/31/21

1440.41	Engineer & Achitechteral Contractual	11,211.00	
600	Accounts Payable		11,211.00
Total		11,211.00	11,211.00

Custodial Trust Fund

Adjusting Journal Entries JE # 1

To report balances collected and remitted to Town of Scriba for water relevy

8389	Other Water Exp, CE	45,807.00	
2140	Water Meter Relevy		45,807.00
Total		45,807.00	45,807.00