

NEW ISSUE**BOND RATING: Moody's "Aaa" (Stable outlook)****SERIAL BOND****See "BOND RATING" herein**

In the opinion of Trespaz & Marquardt, LLP, Bond Counsel to the Town, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the Town with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the accrual of interest on the Bonds. See "TAX MATTERS" herein.

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



\$1,400,000

TOWN OF MALTA

SARATOGA COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$1,400,000 Public Improvement (Serial) Bonds, 2022

(Referred to herein as the "Bonds")

Dated: December 15, 2022

Due: December 15, 2023-2037

The Bonds are general obligations of the Town of Malta, Saratoga County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds maturing in the years 2030-2037 are subject to redemption prior to maturity. See "THE BONDS - Optional Redemption" herein.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity (or earlier redemption) commencing on June 15, 2023. 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 Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals shall be for not less than \$1,400,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of an unqualified legal opinion as to the validity of the Bonds of Trespaz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as agreed upon with the purchaser, on or about December 15, 2022.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on December 1, 2022 until 10:30 A.M., Prevailing Time, pursuant to the Notice of Private/Competitive Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private/Competitive Bond Sale.

December __, 2022

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

\$1,400,000 Public Improvement (Serial) Bonds, 2022

Dated and Delivered: December 15, 2022

Due: December 15, 2023–2037

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
2023	\$ 70,000				2031	\$ 95,000 *			
2024	70,000				2032	100,000 *			
2025	75,000				2033	105,000 *			
2026	75,000				2034	110,000 *			
2027	80,000				2035	115,000 *			
2028	85,000				2036	115,000 *			
2029	90,000				2037	125,000 *			
2030	90,000								

* The Bonds maturing in the years 2031 to 2037 are subject to redemption prior to maturity as described herein under the heading “THE BONDS - Optional Redemption.”

** Principal amounts are subject to change pursuant to the accompanying Notice of Private/Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

† CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

TOWN OF MALTA SARATOGA COUNTY, NEW YORK

TOWN OFFICIALS



TOWN BOARD

MARK E. HAMMOND

Supervisor

MATT MCLOUGHLIN

Deputy Supervisor

JOHN HARTZELL, COUNCILPERSON

CRAIG WARNER, COUNCILPERSON

ALBERT RICCI, COUNCILPERSON

TIMOTHY DUNN, COUNCILPERSON

* * * * *

KEVIN KING, CPA

Town Comptroller

JENNIFER HOLMES

Town Clerk



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



TRESPASZ & MARQUARDT, LLP

BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF MALTA
SARATOGA COUNTY, NEW YORK
Relating to

\$1,400,000 Public Improvement (Serial) Bonds, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Malta, Saratoga County, New York (the “Town,” “County,” and “State,” respectively), in connection with the sale by the Town of its aggregate principal amount of \$1,400,000 Public Improvement (Serial) Bonds, 2022 (the “Bonds”).

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

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York, 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 Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

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

The Bonds will be dated December 15, 2022 and will mature in the principal amounts as set forth on the inside cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading “THE BONDS - Optional Redemption”. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity (or earlier redemption) commencing June 15, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity or prior redemption.

The Bonds will be issued as registered bonds and, when issued, if issued in book-entry only form, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. 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 Bonds, as described herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law and a bond resolution dated August 22, 2022 authorizing the issuance of \$1,400,000 serial bonds to finance the acquisition of certain real property abutting Saratoga Lake known as 149 Route 9P, 110 7th Street, and 51 Shore Ave, all in the Town of Malta, consisting in total of approximately 2.48 acres of land, at a maximum estimated cost of \$1,825,000.

The Town will use proceeds of the Bonds, together with a \$425,000 equity contribution from Town reserves, to acquire the 2.48 acre parcel of land at a cost of \$1,825,000. The land has lake frontage on Saratoga Lake at Route 9P, Seventh Street and Shore Avenue as is the former Mangino’s Restaurant site. The Town plans to develop the site as a Town Park to provide Town residents access to Saratoga Lake. Tentative plans for the park include, but are not limited to, a fishing pier, kayak, canoe and light duty boat launch, picnic tables, picnic area and possibly some educational outreach relating to Saratoga Lake and aquatic resources.

Optional Redemption

The Bonds maturing on or before December 15, 2030 will not be subject to redemption prior to maturity. The Bonds maturing on or after December 15, 2031 will be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Town on December 15, 2030 or on any date thereafter at par (100.0%) plus accrued interest to the date of redemption.

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), Jersey City, New Jersey, will act as securities depository for the Bonds, if so requested. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 upon DTC's receipt of funds and corresponding detail information from the Town, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of 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 Bonds at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Town upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity (or earlier redemption) commencing June 15, 2023. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the Town Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE TOWN

General Information

The Town is located in Saratoga County approximately 20 miles north of the City of Albany and 10 miles south of Saratoga Springs. Major roadways near the Town include Interstate #87 and State Route #9.

The Town has a land area of approximately 28 square miles and has a current estimated population of 17,391 (2021 U.S. Census). The Town is primarily residential and boasts the quality of life a small town offers such as quiet neighborhoods, three large recreational parks, and highly acclaimed school systems.

The Town is anchored by GlobalFoundries US, the home office of Stewart's Ice Cream Company, and the Shops of Malta shopping plaza. GlobalFoundries is considered among the largest semi-conductor manufacturing facilities, performs advance research, development and manufacturing of semi-conductors and is the first major tenant in the Luther Forest Technology Campus. According to filings made by GlobalFoundries US to the Securities and Exchange Commission, their facility in Malta, New York occupies an area of approximately 10.5 Million square feet with a clean room extending over an area of approximately 450,000 square feet and employs approximately 3,000 people. In 2022 the Town Planning Board approved a GlobalFoundries US site plan application for a proposed expansion to its manufacturing facility in the Town. With the passage of the Chips and Science Act (Federal) and Green Chips Legislation (State), GlobalFoundries is poised to expand its manufacturing footprint in the Town. It was recently announced that GlobalFoundries is considering approximately \$8 billion dollars in new private & public investment beginning in the Spring of 2023. This expansion is anticipated to create approximately 1,000+ new full-time jobs over the next 2-3 years, in addition to the approximate 3,000 full time equivalents already employed at Fab 8. In addition to the capital investment and hiring of new personnel, Fab 8.2 will require between 3,500 and 4,000 skilled construction workers operating under the current Project Labor Agreement (PLA) for a period of 1-4 years. It is expected that GlobalFoundries will purchase the remaining 800+/- acres of Luther Forest Technology Park (T/Malta) to enable future expansion as well as provide opportunities for the siting and development of companies currently in the GlobalFoundries supply chain. The sale is planned to close at Title Transfer during the 4th quarter of 2022.

The statement made above regarding the proposed GlobalFoundries expansion 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 are not statements of fact, actual results may differ materially from those projected.

The Town has had a number of residential apartment units constructed in the downtown area. (Ellsworth Commons - 310 units, Lofts at Saratoga Village Boulevard - 278 units (possible 40 additional units purposed), Park Place – 511 units with an additional 200 under construction). A local developer has also proposed to build a 200-unit mixed use apartment building with retail, however the proposed project has just begun the planning review process. Saratoga Hospital has an emergency and emergent care facility, a surgery and medical office facility located in Malta and has approval to construct 100 independent senior living apartments in their next phase of development. The southern end of Town has also benefited from the redevelopment of the Malta Mall which is now anchored by a Hannaford grocery store. Additionally, there are several other residential and commercial projects planned for the Town that are at various stages of the planning phase. Another favorable attribute of the Town is its close proximity to many tourist attractions including the Saratoga Performing Arts Center, Saratoga Racetrack, the National Museum of Dance, the National Museum of Racing, and the Adirondack Park.

Population Trends

	<u>Town of Malta</u>	<u>Saratoga County</u>	<u>New York State</u>
1970	3,813	121,679	18,236,967
1980	6,968	153,759	17,558,072
1990	11,709	181,276	17,990,455
2000	13,005	200,635	18,976,457
2010	14,765	219,613	19,378,057
2020	17,130	235,509	20,201,249
2021 (Estimated)	17,391	237,359	19,835,913

Source: U. S. Census.

Larger Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Global Foundries	Nanotechnology	3,000
Stewarts Shops	Retail / Corporate Headquarters	990 ⁽¹⁾
Ballston Spa Central School District	Education	730 ⁽²⁾

⁽¹⁾ County-wide.

⁽²⁾ Inclusive of the Towns of Malta, Ballston, and Milton.

Source: Town officials.

Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000 Census Reports, 2006-2010 and 2016-2020 American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
Town of:						
Malta	\$ 25,972	\$ 34,449	\$ 46,254	\$ 68,239	\$ 80,625	\$ 112,500
County of:						
Saratoga	23,945	32,186	43,065	58,213	81,251	102,897
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

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 5-Year American Community Survey data.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Saratoga County	4.2%	3.9%	3.9%	3.5%	3.2%	6.4%	3.8%
New York State	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>	<u>Oct</u>	<u>Nov</u>
Saratoga County	3.0%	3.2%	2.9%	2.3%	2.3%	2.5%	2.8%	2.8%	2.4%	N/A	N/A
New York State	5.3%	5.1%	4.7%	4.2%	4.1%	4.3%	4.8%	4.9%	3.9%	N/A	N/A

Note: Unemployment rates for October and November 2022 are unavailable as of the date of this Official Statement.

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

Form of Town Government

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

The Town Board appoints a Town Comptroller and Town Attorney whose terms are fixed by Town Law. The Town Clerk is elected for two-year term as well.

Financial Organization

Pursuant to the Local Finance Law, the Supervisor is the chief fiscal officer and the budget officer of the Town. The Town Board has also established the Office of the Town Comptroller to assist the Town Board in management of the Town.

Budgetary Procedures

The Supervisor prepares a tentative budget each year and files the tentative budget with the Town Clerk. The Town Clerk submits the tentative budget to the Town Board by October 1, for possible amendments. The Town Board reviews the tentative budget, holds budget workshops, makes appropriate adjustments to the tentative budget and submits a preliminary budget to the Town Clerk for a public hearing. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board prior to November 20 as its final budget for the coming fiscal year. The budget is not subject to referendum.

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) 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.

State Aid

The Town receives financial assistance from the State. In its General Fund adopted budget for the 2022 fiscal year, approximately \$823,000 (10.0%) of the operating revenues of the Town are expected to be received from the State as State aid. Mortgage tax receipts of \$700,000 represents the largest portion of this State Aid for 2022. In its General Fund adopted budget for the 2023 fiscal year, approximately \$873,200 (9.5%) of the operating revenues of the Town are expected to be received from the State as State aid. Mortgage tax receipts of \$700,000 represents the largest portion of this State Aid for 2023. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

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

Employees

The Town currently has approximately 70 employees, approximately 40 of which are full-time, and 13 of which are represented by the following collective bargaining units:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
13	Teamsters Union for the Highway Department	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”) (the “Retirement Systems”). The ERS is generally also known as the “Common Retirement Fund”. The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time and seasonal 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.

For ERS, Tier 5 provides for:

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

For ERS, 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	\$ 346,389
2018	340,388
2019	324,700
2020	319,710
2021	335,716
2022 (Budgeted)	300,000

Source: Town officials.

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

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

A chart of average ERS contribution rates (2019 through 2024) is shown below:

<u>Year</u>	<u>ERS</u>
2017	15.5%
2018	15.3
2019	14.9
2020	14.6
2021	14.6
2022	16.2
2023	11.6
2024	13.1

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

Other Post-Employment Benefits

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

OPEB. Other Post-Employment Benefits (“OPEB”) refers to “other post-employment benefits,” meaning benefits other than pension benefits. OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. In prior years, these benefits were generally 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 adopted the provisions of Statement No. 75 for the year ending December 31, 2018.

Balance beginning at January 1:	2020	2021
	<u>\$ 8,626,635</u>	<u>\$ 8,934,668</u>
<u>Changes for the year:</u>		
Service cost	280,458	286,404
Interest	181,625	187,366
Differences between expected and actual experience	(1,692,312)	-
Changes in assumptions or other inputs	1,727,557	-
Benefit payments	<u>(189,295)</u>	<u>(193,308)</u>
Net Changes	<u>\$ 308,033</u>	<u>\$ 280,462</u>
Balance ending at December 31:	2020	2021
	<u>\$ 8,934,668</u>	<u>\$ 9,215,130</u>

Source: Audited financial statements of the Town. The above table is not audited. For additional information regarding the Town’s OPEB liability, see “APPENDIX - E” attached hereto.

The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both.

There is no authority in current State law to establish a trust account or reserve fund for this liability. However, the Town has designated \$1,357,000 of its fund balance towards this liability. This board designation could be removed by future boards. The Town funds this liability on a pay-as-you-go basis.

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

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 Bonds are to be issued, is the Town Law and 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.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to periodic audits by the State Comptroller. The last independent audit covers the fiscal year ending December 31, 2021, and is attached hereto as "APPENDIX – E". Certain summary financial information can also be found in "APPENDIX – A" attached hereto.

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

New York State Comptroller Reports of Examination

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

There are no State Comptroller's audits of the Town published in the last five years, nor any that are currently in progress or pending release as of the date of this Official Statement.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The Town's Fiscal Score assigned by the State Comptroller for the 2017 through 2021 years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	3.3
2020	No Designation	3.3
2019	No Designation	3.3
2018	No Designation	0.0
2017	No Designation	0.0

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

Source: Website of the Office of the New York State Comptroller. Reference to websites implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending December 31:	2018	2019	2020	2021	2022
Assessed Valuation	\$ 2,676,339,314	\$ 2,662,010,440	\$ 2,690,788,451	\$ 2,772,902,518	\$ 2,915,291,979
New York State Equalization Rate	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	\$ 2,676,339,314	\$ 2,662,010,440	\$ 2,690,788,451	\$ 2,772,902,518	\$ 2,915,291,979

Source: Town officials.

Tax Rate 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>
County	\$ 2.411	\$ 2.374	\$ 2.324	\$ 2.340	\$ 2.334
Town General (Ambulance)	0.006	0.002	0.002	0.002	0.000
Highway	0.000	0.000	0.000	0.000	0.000
Fire Protection	0.834	0.834	0.834	0.834	0.824
Ambulance District	0.000	0.000	0.000	0.000	0.175
Library District	0.132	0.131	0.129	0.128	0.126

Source: Town officials.

Tax Collection Procedure

Taxes are collected from January 1st to January 31st with no penalty. Taxes collected from February 1st to February 29th are assessed a 1% penalty. Taxes collected from March 1st to March 31st are assessed a 2% penalty. After March 31st, uncollected taxes are turned over to the County for collection. The County assumes enforcement responsibility for any uncollected taxes levied on the combined bill.

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>
Total Tax Levy	\$ 10,811,883	\$ 10,740,724	\$ 10,915,571	\$ 11,165,441	\$ 11,821,967
Uncollected Taxes ⁽¹⁾	693,078	719,878	591,277	620,766	511,808
% Uncollected	6.41%	6.70%	5.42%	5.56%	4.33%

⁽¹⁾ The Town is made whole by the County on uncollected taxes. See "Tax Collection Procedure" herein.

Source: Town officials.

Ten Larger Taxpayers – 2022 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Saratoga County IDA/Global Foundries	Nanotechnology	\$ 382,316,900 ⁽¹⁾
Northway Eleven	Apartments	71,443,000
JDM II SF National LLC	Insurance	42,425,000
Granville at Park Place	Apartments	41,000,000
Saratoga Blvd Apartments.	Apartments	37,180,000
SL Malta Apts	Apartments	29,750,000
Ellsworth Partners LLC	Apartments	27,000,000
Regency Realty Associates	Apartments/Mobile Home	24,391,901
Lake View Outlets	Commercial	23,226,000
Country Club Acres Inc.	Apartments/Retail	18,144,800

- ⁽¹⁾ While Global Foundries is a tax-exempt property, they make a Payment In Lieu of Tax Agreement payment equal to 100% of the taxes. The County receives 100% of the taxes due then the Town of Malta and Ballston Spa Central School District receives 75% of the remaining total payment and the Town of Stillwater and Stillwater Central School District receives 25% of the remaining total payment. The taxable assessed value of Global Foundries will be decreasing approximately \$43,000,000 per year.

The ten larger taxpayers listed above have a total taxable assessed valuation of \$696,877,601 which represents 23.9% of the tax base of the Town.

As of the date of this Official Statement, the Town currently has pending or outstanding tax certioraris. It is not anticipated that these tax certioraris will have a material impact on the Town should they be settled unfavorably.

Source: Town Tax Rolls.

Sales Tax Revenues

The Town receives a share of the County sales tax. The County presently imposes a 3% County-wide sales and use tax on all retail sales. The cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 3.0% in the City of Saratoga Springs.

The following table sets forth the share of total sales tax revenues received by the Town for the fiscal years 2017 through 2021, amounts budgeted and collected to date for the current fiscal year, and budgeted amount for the 2023 fiscal year.

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>
2017	\$4,870,191
2018	5,295,869
2019	5,410,378
2020	5,233,316
2021	6,349,855
2022 (Budgeted)	5,785,000
2022 (Collected to date)*	4,461,103
2023 (Budgeted)	6,300,000

* Amount received through November 4, 2022.

Source: Town officials.

Additional Tax Information

Real property subject to Town taxes is assessed by the Town.

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

The total property tax bill of an approximate \$262,500 market value residential property located in the Town is approximately \$4,932 including County, School District and special purpose 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. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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.

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

Statutory Procedure

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

Pursuant to the Local Finance Law and its Charter, 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, delegates to the Town Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that 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 and case law) restrictions relating to the period of probable usefulness with respect thereto. The Town has authorized bonds for the construction of two facilities within the Town.

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 issuance of the first of such bond anticipation notes and, subject to certain exceptions, provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein).

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31st:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 2,305,000	\$ 2,060,000	\$ 1,815,000	\$ 1,560,000	\$ 1,300,000
Bond Anticipation Notes	0	0	0	0	0
Other Debt	0	0	0	0	0
Total Debt Outstanding	<u>\$ 2,305,000</u>	<u>\$ 2,060,000</u>	<u>\$ 1,815,000</u>	<u>\$ 1,560,000</u>	<u>\$ 1,300,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of November 18, 2022.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2028	\$ 1,300,000
<u>Bond Anticipation Notes</u>	--	0
Total Indebtedness		<u>\$ 1,300,000</u>

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of November 18, 2022:

Five-Year Average Full Valuation of Taxable Real Property	\$ 2,743,466,540
Debt Limit - 7% thereof	192,042,658

Inclusions:

Bonds.....	\$ 1,300,000	
Bond Anticipation Notes	0	
Total Inclusions.....		\$ 1,300,000

Exclusions:

Appropriations.....	\$ 0	
Sewer Debt ⁽¹⁾	0	
Water Debt ⁽²⁾	0	
Total Exclusions.....		\$ 0

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 1,300,000</u>
Net Debt-Contracting Margin.....	<u>190,742,658</u>
Percent of Debt Contracting Power Exhausted.....	0.68%

(1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.

(2) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Bonded Debt Service

A schedule of bonded debt service may be found attached hereto as "APPENDIX – B" of this Official Statement.

Cash Flow Borrowing

The Town has not found it necessary to borrow revenue and tax anticipation notes in the past and does not see the need to issue revenue or tax anticipation notes, nor budget or deficiency notes, in the foreseeable future.

Installment Purchase Contract

The Town does not have any installment purchase contracts currently outstanding as of the date of this Official Statement.

Authorized But Unissued Debt

Other than in connection with the current issuance of the Bonds, the Town does not have any authorized but unissued projects. The Town is in the process of appointing an architect to develop plans for a Town Complex addition/renovation project.

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. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the respective fiscal years of the below municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Total Indebtedness</u> ⁽¹⁾	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Saratoga	12/31/2020	\$ 68,310,000	\$ - ⁽²⁾	\$ 68,310,000	9.71%	\$ 6,632,901
Village of:						
Round Lake	5/31/2021	1,162,163	568,974 ⁽²⁾	593,189	100.00%	593,189
Fire District of:						
Round Lake	12/31/2020	-	- ⁽²⁾	-	100.00%	-
School District:						
Ballston Spa	6/30/2021	58,146,405	43,551,657 ⁽³⁾	14,594,748	50.21%	7,328,023
Saratoga Springs	6/30/2021	21,162,000	14,919,210 ⁽³⁾	6,242,790	0.14%	8,740
Shenendehowa	6/30/2021	44,085,000	31,256,265 ⁽³⁾	12,828,735	7.33%	940,346
					Total:	<u>\$ 15,503,199</u>

(1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

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

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and fire district's and 2021 for village and school districts.

Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of November 18, 2022

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 1,300,000	\$ 74.75	0.04%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	16,803,199	966.20	0.58

(a) The 2021 estimated population of the Town is 17,391. (See "Population Trends" herein.)

(b) The Town's full value of taxable real estate for the 2022 assessment roll is \$2,915,291,979. (See "Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.

(d) The Town's applicable share of Net Overlapping Indebtedness is estimated to be \$15,503,199. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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 Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of the Bonds 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 Bonds) 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 commerce 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” 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 Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 Bonds 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 Bonds. 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 Bonds could be adversely affected.

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

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 Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds 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 Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Town and hence upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity

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

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 Town's financial condition and operating results by potentially delaying the receipt of real property taxes or a decreased share of County sales tax revenues or resulting in a delay or reduction by the State in the payment of State aid. COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease affected travel, commerce and financial markets globally and affected economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency. The State also declared a state of emergency and the State took steps designed to mitigate the spread and impacts of COVID-19. These steps had a material impact on public gatherings and the operations of schools, non-essential businesses and other entities. The outbreak of COVID-19 and the dramatic steps taken by the State to address it may 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 in the future 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. Covid may have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. Thus far the Town has not incurred any material financial impacts as a result of the spread of COVID-19. The Town continues to monitor the situation and will continue to take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

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

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

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

LEGAL MATTERS

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Town will enter into a Continuing Disclosure Undertaking Certificate, a description of which is attached hereto as “APPENDIX – C”.

Historical Continuing Disclosure Compliance

The Town is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to Rule 15c2-12.

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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Town.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds 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 Bonds.

BOND RATING

Moody's Investors Service ("Moody's") has assigned its rating of "Aaa" with a Stable outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

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 Bonds.

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the Town, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, 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 Bonds, 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 Bonds 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.

The Municipal Advisor 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. The Municipal Advisor 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 the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor 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. The Municipal Advisor and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town's contact information is as follows: Mr. Kevin King, CPA, Town Comptroller, Town Hall, 2540 Route 9, Malta, New York 12020 telephone (518) 899-2502, fax (518) 899-7257, email comptroller@malta-town.org.

TOWN OF MALTA

Dated: November 18, 2022

MARK E. HAMMOND
Town Supervisor

GENERAL FUND ⁽¹⁾

Balance Sheets

Fiscal Years Ending:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,422,093	\$ 3,897,751	\$ 3,999,991	\$ 5,022,909	\$ 7,515,459
Investments	-	-	-	-	-
Receivables:					
Other	445,532	446,610	477,192	356,265	461,226
State and Federal	202,000	161,109	149,000	381,321	234,000
Restricted cash, cash equivalents & investments	7,086,394	7,122,715	6,459,632	6,174,050	5,691,186
Due from Other Funds	61,487	40,773	125,921	692	11,824
Due From Other Governments	843,338	794,536	868,330	923,754	1,055,354
Prepaid Expenses	159,940	116,880	119,983	139,955	151,885
Inventory	37,813	50,109	51,059	34,563	56,807
Note receivable	-	-	-	-	-
TOTAL ASSETS	<u>\$ 12,258,597</u>	<u>\$ 12,630,483</u>	<u>\$ 12,251,108</u>	<u>\$ 13,033,509</u>	<u>\$ 15,177,741</u>
LIABILITIES AND FUND BALANCE					
Accounts Payable and Accrued Liabilities	\$ 651,737	\$ 373,103	\$ 493,015	\$ 692,368	\$ 550,495
Due to Other Governments	224,867	235,113	226,826	195,709	237,963
Unearned Revenue	68,466	72,509	64,237	94,911	909,931
Deferred Inflow of Resources	70,995	89,715	209,389	193,356	207,665
Compensated Absences	35,145	42,485	40,099	38,119	45,174
TOTAL LIABILITIES	<u>\$ 1,051,210</u>	<u>\$ 812,925</u>	<u>\$ 1,033,566</u>	<u>\$ 1,214,463</u>	<u>\$ 1,951,228</u>
FUND BALANCE					
Restricted/Committed	\$ 5,861,297	\$ 5,815,391	\$ 5,206,791	\$ 4,945,319	\$ 5,899,878
Assigned	3,742,189	4,125,274	4,439,651	4,949,406	4,214,622
Unassigned	<u>1,603,901</u>	<u>1,876,893</u>	<u>1,571,100</u>	<u>1,924,321</u>	<u>3,112,013</u>
TOTAL FUND BALANCE	<u>\$ 11,207,387</u>	<u>\$ 11,817,558</u>	<u>\$ 11,217,542</u>	<u>\$ 11,819,046</u>	<u>\$ 13,226,513</u>
TOTAL LIABILITIES and FUND BALANCE	<u>\$ 12,258,597</u>	<u>\$ 12,630,483</u>	<u>\$ 12,251,108</u>	<u>\$ 13,033,509</u>	<u>\$ 15,177,741</u>

⁽¹⁾ Includes Townwide General Fund, Town Outside Village General Fund, and Town Outside Village Highway Fund.

GENERAL FUND ⁽¹⁾

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	\$ 13,282	\$ 13,226	\$ 4,901	\$ 5,001	\$ 5,002
Real Property Tax Items	16,789	22,282	26,522	21,039	7,197
Non-Property Tax Items	5,043,892	5,522,976	5,653,653	5,473,897	6,594,233
Departmental Income	2,293,285	1,736,463	1,378,687	1,025,248	1,325,758
Intergovernmental Charges	48,049	46,959	49,673	79,110	70,284
Use of Money & Property	118,228	178,367	265,076	124,679	89,017
Licenses and Permits	14,179	16,077	17,347	16,779	15,432
Fines and Forfeitures	313,535	290,346	219,864	95,092	194,481
Sale of Property and Compensation for Loss	22,799	39,353	42,964	11,588	28,783
Miscellaneous	58,096	96,435	63,983	91,958	65,515
Interfund Revenues	-	-	-	-	10,500
Revenues from State Sources	730,563	794,417	759,281	1,174,895	1,137,433
Revenues from Federal Sources	40,000	17,524	-	28,720	16,618
Total Revenues	<u>\$ 8,712,697</u>	<u>\$ 8,774,425</u>	<u>\$ 8,481,951</u>	<u>\$ 8,148,006</u>	<u>\$ 9,560,253</u>
EXPENDITURES					
General Government Support	\$ 1,385,959	\$ 1,343,944	\$ 1,396,549	\$ 1,429,053	\$ 1,447,756
Public Safety	37,778	52,165	40,191	111,376	64,253
Health	486,951	494,062	469,314	479,020	444,908
Transportation	2,347,807	2,176,325	2,310,145	2,504,363	2,069,755
Economic Assistance and Opportunity	37,765	35,168	36,707	23,385	26,273
Culture and Recreation	719,598	714,249	759,207	573,008	645,123
Home and Community Services	1,629,019	1,233,764	1,103,020	957,844	1,173,040
Employee Benefits	1,100,962	1,114,847	1,091,979	1,031,346	1,073,549
Debt Service	301,139	300,417	306,785	302,007	307,894
Total Expenditures	<u>\$ 8,046,978</u>	<u>\$ 7,464,941</u>	<u>\$ 7,513,897</u>	<u>\$ 7,411,402</u>	<u>\$ 7,252,551</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 665,719</u>	<u>\$ 1,309,484</u>	<u>\$ 968,054</u>	<u>\$ 736,604</u>	<u>2,307,702</u>
Other Financing Sources (Uses):					
Operating Transfers In	71,800	115,800	71,800	36,600	39,065
Operating Transfers Out	<u>(196,712)</u>	<u>(815,113)</u>	<u>(1,639,870)</u>	<u>(171,700)</u>	<u>(939,300)</u>
Total Other Financing	\$ (124,912)	# \$ (699,313)	# \$ (1,568,070)	# \$ (135,100)	# \$ (900,235)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>540,807</u>	<u>610,171</u>	<u>(600,016)</u>	<u>601,504</u>	<u>1,407,467</u>
FUND BALANCE					
Fund Balance - Beginning of Year	10,649,794	11,207,387	11,817,558	11,217,542	11,819,046
Transfers to County	<u>16,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 11,207,387</u></u>	<u><u>\$ 11,817,558</u></u>	<u><u>\$ 11,217,542</u></u>	<u><u>\$ 11,819,046</u></u>	<u><u>\$ 13,226,513</u></u>

⁽¹⁾ Includes Townwide General Fund, Town Outside Village General Fund, and Town Outside Village Highway Fund.

GENERAL FUND ⁽¹⁾

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

Fiscal Years Ending:	2021			2022	2023
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 5,000	\$ 5,000	\$ 5,002	\$ -	\$ -
Real Property Tax Items	21,000	21,000	7,197	21,000	21,000
Non-Property Tax Items	5,205,000	5,217,000	6,594,233	6,025,176	6,552,659
Departmental Income	669,500	1,119,300	1,325,758	711,250	1,167,100
Intergovernmental Charges	55,000	76,000	70,284	86,000	65,300
Use of Money & Property	109,700	109,700	89,017	76,000	87,000
Licenses and Permits	18,000	18,000	15,432	18,000	15,000
Fines and Forfeitures	275,000	275,000	194,481	180,000	240,000
Sale of Property and Compensation for Loss	3,000	4,500	28,783	4,000	34,000
Miscellaneous	27,500	79,521	65,515	37,500	92,500
Interfund Revenues	-	-	10,500	-	-
Revenues from State Sources	778,000	849,100	1,137,433	823,000	873,200
Revenues from Federal Sources	-	133,400	16,618	265,000	-
Total Revenues	\$ 7,166,700	\$ 7,907,521	\$ 9,560,253	\$ 8,246,926	\$ 9,147,759
EXPENDITURES					
General Government Support	\$ 1,509,856	\$ 1,677,973	\$ 1,447,756	\$ 1,711,284	\$ 1,949,702
Public Safety	53,902	68,552	64,253	58,162	352,464
Health	478,772	478,420	444,908	5,934	6,287
Transportation	2,325,867	2,418,732	2,069,755	2,811,621	3,105,972
Economic Assistance and Opportunity	27,102	32,102	26,273	30,602	33,602
Culture and Recreation	752,079	795,369	645,123	878,087	928,001
Home and Community Services	761,961	1,117,980	1,173,040	757,336	1,304,778
Employee Benefits	1,197,800	795,300	1,073,549	1,233,800	1,384,800
Debt Service	307,900	307,900	307,894	307,700	437,200
Total Expenditures	\$ 7,415,239	\$ 7,692,328	\$ 7,252,551	\$ 7,794,526	\$ 9,502,806
Excess of Revenues Over (Under) Expenditures	(248,539)	215,193	2,307,702	452,400	(355,047)
Other Financing Sources (Uses):					
Operating Transfers In	36,600	39,065	39,065	36,600	36,600
Operating Transfers Out	-56,000	(787,600)	(939,300)	(249,000)	(275,000)
Budgetary Earnings and Use for Reserves	(60,700)	(60,700)	-	(250,000)	-
Appropriated Reserves	203,354	236,459	-	-	36,000
Total Other Financing	\$ 123,254	\$ (572,776)	\$ (900,235)	\$ (462,400)	\$ (202,400)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(125,285)	(357,583)	1,407,467	(10,000)	(557,447)
FUND BALANCE					
Fund Balance - Beginning of Year	125,285	357,583	11,819,046	10,000	557,447
Transfers to County	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 13,226,513	\$ -	\$ -

⁽¹⁾ Includes Townwide General Fund, Town Outside Village General Fund, and Town Outside Village Highway Fund.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2023	\$ 265,000	\$ 42,200	\$ 307,200
2024	195,000	37,500	232,500
2025	195,000	33,600	228,600
2026	205,000	25,800	230,800
2027	215,000	17,600	232,600
2028	225,000	9,000	234,000
TOTALS	\$ 1,300,000	\$ 165,700	\$ 1,465,700

FORM OF CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Official Statement dated January 7, 2019 of the Town relating to the Bonds under the headings "THE TOWN", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than "APPENDICES – C & D" and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2022, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2022; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (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; and

- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) incurrence of a financial obligation (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Bond holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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 Bonds.

For the purposes of the event identified in (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 obligated person, 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 obligated person.

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 Bonds; 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.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Town reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds 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 Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town's obligations under its continuing disclosure undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds 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.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

FORM OF BOND COUNSEL'S OPINION

December 15, 2022

Town of Malta
2540 Route 9
Malta, New York 12020

Re: Town of Malta, Saratoga County, New York
\$1,400,000 Public Improvement (Serial) Bonds, 2022

Ladies and Gentlemen:

As bond counsel to the Town of Malta, Saratoga County, New York (the "Town"), we have examined a record of proceedings relating to the issuance of \$1,400,000 Public Improvement (Serial) Bonds, 2022 (the "Bonds") of the Town. The Bonds are dated December 15, 2022 and are being issued pursuant to the Constitution and laws of the State of New York, including County Law and the Local Finance Law, and bond resolutions adopted by the Town Board and a Certificate of Determination dated on or before December 15, 2020 of the Town Supervisor relative to the form and terms of the Bonds.

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

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

In our opinion, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

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

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

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

We have examined the first executed Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

**TOWN OF MALTA
SARATOGA COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

Such Audited Financial Statements 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.

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

TOWN OF MALTA, NEW YORK
FINANCIAL REPORT
DECEMBER 31, 2021



Route 9 Complete Street Project

Town of Malta – Est. 1802

"A Family Town- Love Your Neighbor"

TOWN OF MALTA, NEW YORK
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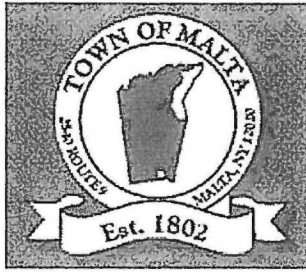
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TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

To the Members of the Town Board and Town Residents
Town of Malta, New York

The accompanying management discussion and analysis of the Town of Malta's ("the Town") financial performance has been prepared to provide an overview of the Town's financial activities for the fiscal year ended December 31, 2021. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Economic growth increased considerably in 2021 due to the relaxing of restrictions relating to the COVID 19 pandemic and the influx of the federal stimulus package into the economy with sales tax revenues increasing 21% compared to 2020. Historic low interest rates kept the housing market strong providing the Town with continued higher than average mortgage tax receipts.
- The Town's Comprehensive Master Plan has been updated by Master Plan Update Committee and is in the process of being finalized by the Town Board. Upon completion of the master plan update, the Town-wide Generic Environmental Impact Statement will also be updated which provides the mechanism for the Town to receive mitigation fees to offset development project impacts to traffic, recreation and open space.
- Total Town revenues generated in 2021 were \$12,531,000, including capital grants, compared to total governmental activity costs of \$13,448,000.
- A traffic improvement project at the intersection of Route 9 and Old Post, which was identified in the Town-wide Generic Environment Impact Statement, was started in 2021 and completed in January 2022. Total estimated construction budget is \$465,000 which will be funded with mitigation fees, a New York State grant and Town funds.
- Additional improvements to the Luther Forest Athletic Fields were also authorized with construction to begin in 2022. Total estimated construction budget is \$851,000 which will be funded with mitigation fees, a New York State grant and Town funds.

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities and Changes in Net Position provide information about the activities of the Town as a whole and present a comprehensive view of the Town's finances. Fund Financial Statements have also been included for the Town's governmental activities which provide information on how services were financed in the short term as well as what remains for future spending. These fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. Budgetary comparison statements have also been included for the Town's significant governmental funds.

Reporting the Town as a Whole

One of the most important questions asked about the Town's finances is "Has the Town's financial condition as a whole improved or declined as a result of the year's activities?" The Statement of Net Position and the Statement of Activities and Changes in Net Position provide information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. You can think of the Town's net position -- the difference between assets and deferred outflows, what the citizens own, and the liabilities and deferred inflows, what the citizens owe, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider the other nonfinancial factors, however, such as changes in the Town's property and sales tax base, population, the local, regional and state economy, national events and the condition of the Town's capital assets (roads, buildings, parks) to assess the overall health of the Town.

The Town also recognizes four competing needs which must be balanced to in order to be successful:

- Provide quality services to its residents
- Maintain public facilities and infrastructure
- Recruit, train and retain employees that meet our goal of excellent customer service
- Maintain fiscal integrity

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

USING THIS FINANCIAL REPORT, continued

All four are as equally important, therefore neglecting any one or placing more importance on another will negatively impact the Town's overall goals. In order to ensure the fiscal strength of the Town while at the same time limiting the accumulation of fund balance so that service, maintenance and personnel issues can be addressed, the Town will attempt to maintain an amount equivalent to at least two (2) months of general operating expenditures as unassigned fund balance, but also taking into account anticipated future capital improvements and repairs (ie, road infrastructure improvements). In the event of an emergency situation or due to legislative mandates that materially affects the Town's financial operations, the Town might need to reduce the unassigned fund balance below the targeted minimum, but the Town will attempt to replenish these amounts within the next two fiscal years.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The Town reports its operations using governmental funds. Some of these funds are required to be established by State law and others are established by the Town Board to help it control money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town uses a Townwide General Fund, a Town Outside Village General Fund, a Town Outside Village Highway Fund, a Fire Protection Fund, a Library Fund, a Water Supply Fund, a Sewer District Fund, Lighting District Funds and Capital Projects Funds to account for its various financial resources. These governmental funds focus on how monies flow into and out of those funds and the balances left at year-end that are available for spending. Governmental funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, ie., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The Town as Trustee

The Town is the trustee, or fiduciary, for assets that belong to others. The Town is responsible for ensuring that the assets reported in these trust funds are used for their intended purposes.

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE

Net Position

The Town's total net position decreased to \$35.9 from \$36.9. Our analysis below focuses on the net assets of the Town's governmental activities.

Net Position (in Thousands)	<u>2020</u>	<u>2021</u>
Current assets	\$ 6,858	\$ 9,560
Noncurrent assets, primarily restricted cash and investments	9,145	8,767
Capital assets, net of depreciation	<u>36,150</u>	<u>33,695</u>
Total assets	<u>\$52,153</u>	<u>\$52,022</u>
 Deferred Outflows	 <u>\$ 4,605</u>	 <u>\$ 4,940</u>
 Current liabilities	 \$ 1,975	 \$ 2,165
Long-term liabilities	<u>15,941</u>	<u>15,179</u>
Total liabilities	<u>\$ 17,916</u>	<u>\$17,344</u>
 Deferred Inflows	 <u>\$ 1,956</u>	 <u>\$ 3,648</u>
 Net position:		
Net investment in capital assets	\$ 34,209	\$32,032
Restricted	5,046	5,703
Unrestricted	<u>(2,369)</u>	<u>(1,765)</u>
Total net position	<u>\$ 36,886</u>	<u>\$35,970</u>

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

Financial Ratios

Financial ratios are used to assess the financial stability of the Town over an extended period of time. The ratios of working capital and days cash and investment in reserve demonstrate the continuing ability to finance operations with cash. The stability of the current ratio and the liabilities to net assets demonstrate the fact the Town has not financed its working capital and days cash and investment in reserve with an increasing proportion of debt.

“Working Capital” is the amount by which current assets exceed current liabilities. The “Current Ratio”, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

(financial ratios (dollars in thousands))

	<u>2020</u>	<u>2021</u>
Working Capital	\$4,883	\$7,395
Current Ratio	3.47	4.41

“Days Cash and Investments in Reserve” represents the number of days that normal operations could continue with no revenue collection. “Liabilities to Net Position” indicates the extent of borrowing.

	<u>2020</u>	<u>2021</u>
Days Cash and Investments in Reserve	154	229
Net Position to Liabilities	2.06	2.07

To aid in the understanding of the Statement of Activities and Changes in Net Position some additional explanation is needed. Particularly, the format is significantly different than the typical Statement of Revenues, Expenditures and Changes in Fund Balance. You will notice that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden of each function on the Town’s taxpayers or if it is self-financing through fees and grants.

Statement of Activities

Some of the individual revenue items reported for each function are as follows:

General Government	Traffic Fines, Permits, and Fees
Transportation	CHIPS, State and Municipalities
	Facilities Program Grants, Developer
	Contributions, Mitigation Fees

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

	and Fuel Charges
Culture and Recreation	Parks and Youth Grants, Developer Recreation Fees, Mitigation Fees, Recreation Program Fees and Contributions
Home and Community Services	Building and Planning Fees, Planning Grants, Sewer Charges and Mitigation Fees

All other governmental revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

The table below focuses on the changes in net position (in thousands) of the Town's governmental activities.

	<u>2020</u>	<u>2021</u>
Revenues		
Fees, fines and charges for services	\$ 1,089	\$ 1,487
Operating grants and contributions	153	93
Capital grants and contributions	1,096	561
Property taxes	2,485	2,480
Franchise taxes	175	175
Town share of County sales taxes	5,259	6,375
Town share of County landfill revenue sharing	66	69
Mortgage taxes	1,034	938
Use of money and property	289	206
Disposal of property and compensation for loss	<u>11</u>	<u>29</u>
Total revenues	<u>\$11,657</u>	<u>\$12,413</u>
Expenses		
General government	\$ 1,760	\$ 1,865
Public safety	2,461	2,373
Health	496	503
Transportation	3,895	3,805
Economic assistance	23	26
Culture and recreation	1,976	2,008

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

	<u>2020</u>	<u>2021</u>
Home and community service	<u>1,400</u>	<u>1,458</u>
Total expenses	<u>\$12,011</u>	<u>\$12,038</u>

Financial highlights during the years are as follows:

- The easing of the restrictions relating to the pandemic slowly began to increase economic growth at GlobalFoundries and within the Town, as well as the Town court operations and recreation programs offered which resulted in an increase in fees, fines and charges for services.
- As a result of the Townwide Generic Environmental Impact Statement, approximately \$239,000 and \$169,000 in mitigation fees were received in 2021 and 2020, respectively relating to new development projects.
- Town share of County sales tax revenue increased in 2021 by \$1,117,000 or 21.34% due to the COVID 19 pandemic recovery.
- With historic low mortgage interest rates the Town's share of mortgage tax decreased modestly from \$1,034,000 in 2020 to \$938,000 in 2021. (Town's annual 10 year average - \$700,000.)
- Property taxes remained consistent due to negotiated multi-year fire protection contracts. The Town continues to fund capital and operating needs of the fire companies, but is concerned over the scheduled future assessment decreases of the GlobalFoundries property. The public approved library referendum in November of 2016 which provided the library with funding of \$339,000.
- Engineering consulting services, primarily relating to the GlobalFoundries Project, continue to be a major expense of the Town (\$458,000 in 2021 and \$316,000 in 2020). These costs, which are reflected as home and community expense, are reimbursed by developers through Town managed escrow accounts.
- Capital grants decreased in 2021 due to the Route 9 Complete Street Project was essentially completed in 2020.
- The Town's annual post-employment health benefits cost is estimated at \$964,000.

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

The Town's Funds

As the Town completed the year, its governmental funds reported a combined fund balance of \$16.3 million, which is above last year's total of \$14.2 million. The combined fund balance includes \$5.69 million of restricted and committed funds for such items as open space protection, parks, highway equipment, buildings, road projects, mitigation projects, capital projects and tax stabilization. As of December 31, 2021 the Town's assigned highway fund balance was at \$2.475 million. The Town has also assigned \$1,356,000 of its fund balance towards the Town's post-employment health insurance obligation. With prudent spending and sound budgeting techniques, the Town has been able to minimize the fluctuation in the Town's fund balances.

The following schedule presents a summary of the combined statement of revenues and expenditures of the Town's governmental funds for the years ended December 31, 2020 and 2021.

Combined Statement of Revenues and Expenditures (In Thousands)

	<u>2020</u>	<u>2021</u>
Revenues		
Real property taxes	\$ 2,485	\$ 2,480
Non-property tax items	5,474	6,594
Departmental income	1,147	1,447
Fines and forfeitures	95	194
State and federal aid	1,984	1,279
Other general revenues	<u>493</u>	<u>415</u>
Total revenues	<u>\$11,678</u>	<u>\$12,409</u>
Program Expenditures		
General government support	\$ 1,468	\$ 1,448
Public safety	2,086	2,040
Health	479	445
Transportation	4,309	2,446
Economic assistance	23	26
Culture and recreation	947	1,077
Home and community	1,079	1,294
Employee benefits	1,127	1,193
Debt Service	<u>302</u>	<u>308</u>
Total expenses	<u>\$11,820</u>	<u>\$10,277</u>

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

Significant factors occurring in the respective years are as follows:

- Town share of County sales tax increased 21.34% in 2021 as discussed previously.
- Departmental income increased (escrowed planning fees, court fines and recreation program income) as a result of the easing of pandemic restrictions related to development, operations and programs.
- The Town fire protection tax levy remained consistent as a result of multi-year negotiated fire protection services contracts as the Town continues to fund capital and operating needs. The public approved library referendum provided the library funding of \$339,000.
- Transportation expenditures in 2021 provided the purchase of new dump truck, but it was not received prior to the end of the year. In 2020 the Town provided for the purchase of a snow plow truck, a roller and a bucket truck for \$445,000.
- Construction costs of \$1,753,000 were incurred for the Route 9 Complete Street Project in 2020 which was authorized in 2018. Approximately \$780,000 of the project cost was funded with a New York State multi-modal grant.
- In 2021 construction costs of \$306,000 were incurred for the Old Post Road Improvement Project.
- Costs of \$89,000 were incurred in 2021 for engineering and design services for park improvement project at the Luther Forest Athletic Fields.
- As discussed previously, engineering consulting services, primarily relating to the GlobalFoundries Project, continue to be a major home and community type expenditure of the Town (\$458,000 in 2021 and \$316,000 in 2020).

Budgetary Highlights:

Over the course of the year, the Town Board revised the Town's budget numerous times. These budget amendments fall into three categories. The first category includes amendments for encumbrances that are carried forward from the prior year. The second category includes changes that the Town Board approves between intradepartment line items and between

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

THE TOWN AS A WHOLE (continued)

departments line items for unforeseen expenditures and to prevent budget overruns. Finally, the Town provides for the appropriation of unappropriated cash surplus, unanticipated revenues and reserve funds.

In 2021 Town amended its budget for the following significant transactions:

- Authorized supplemental appropriations of \$380,000 and related developer contributions for inspection services relating to GlobalFoundries and other construction projects.
- Authorized supplemental appropriations of \$57,000 for grants and contributions received
- Authorized supplemental appropriations for additional CHIPS aid of \$68,000
- Authorized supplemental appropriations of \$36,000 for wage increase from unappropriated funds
- Authorized supplemental appropriations for equipment of \$133,000 funded with American Rescue Funds
- Authorized supplemental appropriations for \$412,000 from reserves for road projects
- Authorized supplemental appropriations of \$861,000 from reserves and state aid for park improvements
- Amended the 2021 Adopted Budget for 2020 encumbrances totaling \$67,000

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

At the end of 2021, the Town had \$73.1 million invested in a broad range of capital assets, including land and improvements, buildings and improvements, infrastructure, and equipment,

Capital Assets at Year-end (In Thousands)		
	2020	2021
Land	\$ 2,109	\$ 2,126
Land improvements	6,637	7,019
Buildings and improvements	13,950	13,959
Infrastructure	42,107	42,630
Equipment	6,912	6,998
Work in progress	2,060	445
Totals	<u>\$73,775</u>	<u>\$73,177</u>

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Current year's major additions included (in thousands):

Purchase of equipment	\$ 23
Resurfacing and reconstruction of Town roads and culverts	934
Route 9 Complete Street Project	24
Old Post Road Improvement Project	306
Recreation field improvement projects	93
Infrastructure and land dedicated to Town from local developers	<u>116</u>
	<u>\$1,496</u>

Major capital projects and acquisitions planned for 2022 are as follows (in thousands):

Road improvement	\$ 830
Drainage Improvements	\$ 365
Highway equipment	\$ 320
Facilities, parks and planning equipment	\$ 60
Technology equipment	\$ 30

The Town's intention is to finance the majority of these and future capital projects with current budgetary appropriations, existing capital reserves and unappropriated fund balance, mitigation fees, and grants. Additionally, the Town is in the process of finalizing plans on the use of the remainder of its American Rescue Funds. Tentatively \$1,000,000 has been earmarked for water improvements; \$54,000 for broadband coverage gaps and \$125,000 for low to moderate home repairs.

Debt:

The Town's debt policy and State law limit the amount of general obligation debt that the Town can issue to 7% of the average full value assessment of all taxable property within the Town over the last five years. In October 2016 the Town issued \$2,125,000 million in General Obligation Serial Bonds with interest ranging from .8% to 4% percent to advance refund \$2,215,000 million of outstanding 2008 General Serial bonds with an interest rate of 3.915%. By advancing refunding these bonds the Town reduced its total debt service payments over the next 12 years by approximately \$260,000. As of December 31, 2020 \$1,410,000 in bonds were outstanding for this series.

In January 2013 the Town issued \$680,000 in serial bonds to finance a portion of the cost of the new highway garage project. These ten year bonds bear interest ranging from .70% to 2.40%. As of December 31, 2020 \$150,000 in bonds were outstanding for this series.

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town's elected and appointed officials considered many factors when setting the 2022 budget and tax rates. One of those factors is the economy. The Town is poised to experience growth at a nominal pace both from a commercial and residential standpoint due to the on-going development and the Town's rezoning of property along major corridors within the Town but the pandemic might slow that growth. Property assessments for fire protection increased from \$2,547 million in 2021 to \$2,592 million in 2022 which offset the scheduled reductions in the GlobalFoundries tax assessments. The Town estimates its population to be approximately 17,000.

These factors, along with national and regional trends, were taken into account when adopting the Town's budget for 2022. Projected 2022 estimated revenues increased to \$11.36 million as compared to the projected \$9.8 million in the adopted 2021 budget. A town tax levy of \$338,000 was provided to fund the library and \$470,000 for the newly approved ambulance district. There will be no highway tax for the twentieth consecutive year and the Town's fire protection tax rate will remain at approximately \$.8238 per thousand resulting in a levy of \$2,135,000.

Budgeted expenditures increased from \$10.08 million to \$11.37 million. The Town has had to use \$11,000 of its fund balance to balance the 2022 budget. In 2022 the Town will be finalizing its update the comprehensive master plan. Through continued evaluation and effective management, the Town hopes to continue to finance the services and programs it currently offers and offset the effect that inflation might have on program costs. Included in the 2022 adopted budget are the following items:

- COLA and longevity salary increases and rising employee benefit costs
- Infrastructure maintenance, general road repairs and snow removal costs
- Building maintenance costs, technology and miscellaneous equipment
- Park and recreation planning, improvements and maintenance
- Community planning and code enforcement
- Library services

Other significant budget changes include providing an appropriation of \$365,000 for drainage improvements within the Town.

TOWN OF MALTA, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2021

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the Town's financial resources and to demonstrate the Town's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Town Comptroller's Office, 2540 Route 9, Malta, New York 12020.

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MEMBERS OF:
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Town Board
Town of Malta
Malta, New York

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for the 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

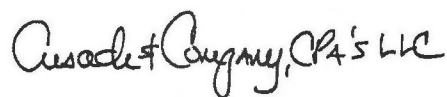
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 13, the Schedule of Changes in Town's Total Other Post-Employment Liability and Related Ratios - Other Postemployment Liability and Related Ratios on page 75, the Schedule of Town's Proportionate Share of the Net Pension Liability on page 76, the Schedule of Town's Employer Pension Contributions on page 77 and the Schedule of Changes in Town's Service Award Program Total Pension Liability on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The graphs presented on pages 73 and 74 are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of the Town's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 27, 2022

TOWN OF MALTA, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS	
Current assets:	
Cash and cash equivalents	\$7,541,863
Other receivables	402,079
State and federal receivables	359,000
Due from other funds	69
Due from other governments	1,055,368
Prepaid expenses	144,789
Inventory	56,807
Total current assets	<u>9,559,975</u>
Noncurrent assets:	
Restricted assets	
Cash and cash equivalents	6,594,230
Service award program assets	2,173,317
Capital assets, net of accumulated depreciation	33,694,778
Total noncurrent assets	<u>42,462,325</u>
Total assets	<u>\$52,022,300</u>
DEFERRED OUTFLOWS OF RESOURCES	
Post-employment benefits	\$1,852,396
Pension	1,750,804
Volunteer fire service award	1,277,115
Volunteer ambulance service award	60,120
	<u>\$4,940,435</u>
LIABILITIES	
Current liabilities:	
Accounts payable, accrued liabilities and benefits payable	\$ 645,328
Due to other governments	237,963
Unearned revenues and deposits	1,022,159
Current portion of bonds	260,000
Total current liabilities	<u>2,165,450</u>
Noncurrent liabilities:	
Post-employment benefits payable	9,215,130
Pension retirement payable	6,711
Volunteer firefighter service award	4,073,473
Volunteer ambulance worker service award	480,893
Bonds	1,402,535
Total long-term liabilities	<u>15,178,742</u>
Total liabilities	<u>\$17,344,192</u>
DEFERRED INFLOWS OF RESOURCES	
Post-employment benefits	\$1,328,374
Volunteer fire service award	305,007
Volunteer ambulance service award	15,042
Pension	2,000,285
Total deferred inflows of resources	<u>\$3,648,708</u>
COMMITMENTS AND CONTINGENCIES	
NET POSITION	
Net investment in capital assets	\$32,032,243
Restricted and committed	5,702,561
Unrestricted	<u>(1,764,969)</u>
Total net position	<u>\$35,969,835</u>

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Capital Fees Grants and Contributions</u>	<u>Net (Expenses) Revenues</u>
General Government	\$ 1,864,642	\$ 250,608	\$ 15,664	\$ 19,122	(\$1,579,248)
Public Safety	2,373,289	4,920	368	-	(2,368,001)
Health	503,565	-	-	-	(503,565)
Transportation	3,804,672	55,135	16,198	451,797	(3,281,542)
Economic Assistance	26,273	-	-	2,750	(23,523)
Culture and Recreation	2,007,715	214,912	39,165	87,055	(1,666,583)
Home and Community Services	<u>1,458,181</u>	<u>961,810</u>	<u>22,080</u>	<u>-</u>	<u>(474,291)</u>
Total governmental activities	<u>\$12,038,337</u>	<u>\$ 1,487,385</u>	<u>\$ 93,475</u>	<u>\$ 560,724</u>	<u>(9,896,753)</u>
<u>General Revenues</u>					
Property Taxes					2,480,453
Franchise Taxes					175,507
Town Share of County Sales Taxes					6,375,482
Town Share of County Landfill Revenue Sharing					68,871
Mortgages Taxes					938,338
Use of Money and Property					206,468
Contributed Infrastructure from Developers					115,961
Disposal of Property and Compensation for Loss					<u>28,782</u>
Total general revenues					<u>10,389,862</u>
Change in net position					493,109
Transfer of Infrastructure to New York State					(1,409,714)
Net position, beginning					<u>36,886,440</u>
Net position, ending					<u>\$35,969,835</u>

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>Townwide General</u>	<u>Town Outside Village General</u>	<u>Town Outside Village Highway</u>	<u>Total Combined General</u>	<u>Library</u>	<u>Fire Protection</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS									
Cash and cash equivalents	\$3,325,603	\$1,967,744	\$2,222,112	\$7,515,459	\$1,562	\$16,132	\$ -	\$8,710	\$7,541,863
Other receivables	342,820	105,024	13,382	461,226	-	-	-	-	461,226
State and federal receivables	234,000	-	-	234,000	-	-	125,000	-	359,000
Due from other governments	563,717	88,139	403,498	1,055,354	-	-	-	14	1,055,368
Due from other funds	11,824	-	-	11,824	-	-	-	-	11,824
Prepaid expenses	87,257	19,896	44,732	151,885	-	7,730	-	-	159,615
Restricted cash and cash equivalents	913,688	4,157,887	619,611	5,691,186	-	-	903,044	-	6,594,230
Service award program investments	-	-	-	-	-	2,173,317	-	-	2,173,317
Inventory	-	-	56,807	56,807	-	-	-	-	56,807
Total assets	\$5,478,909	\$6,338,690	\$3,360,142	\$15,177,741	\$1,562	\$2,197,179	\$1,028,044	\$8,724	\$18,413,250
	=====	=====	=====	=====	=====	=====	=====	=====	=====

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021

	<u>Townwide General</u>	<u>Town Outside Village General</u>	<u>Town Outside Village Highway</u>	<u>Total Combined General</u>	<u>Library</u>	<u>Fire Protection</u>	<u>Total Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities									
Accounts payable and accrued liabilities	\$90,767	\$419,156	\$40,572	\$550,495	\$ -	\$ -	\$82,201	\$2,210	\$634,906
Due to other governments	237,963	-	-	237,963	-	-	-	-	237,963
Due to other funds	-	-	-	-	-	-	11,755	-	11,755
Unearned revenues and deposits	905,309	4,622	-	909,931	-	-	-	-	909,931
Compensated absences	25,787	7,905	11,482	45,174	-	-	-	-	45,174
Total liabilities	1,259,826	431,683	52,054	1,743,563	-	-	93,956	2,210	1,839,729
Deferred Inflows of Resources	96,125	-	111,540	207,665	688	-	-	-	208,353
COMMITMENTS AND CONTINGENCIES									
Fund Balances									
Nonspendable	87,257	19,896	101,539	208,692	-	7,730	-	-	216,422
Restricted	913,688	1,397,567	619,611	2,930,866	-	-	-	-	2,930,866
Committed	-	2,760,320	-	2,760,320	-	-	-	-	2,760,320
Assigned	10,000	1,729,224	2,475,398	4,214,622	874	2,189,449	934,088	6,514	7,345,547
Unassigned	3,112,013	-	-	3,112,013	-	-	-	-	3,112,013
Total fund balances	4,122,958	5,907,007	3,196,548	13,226,513	874	2,197,179	934,088	6,514	16,365,168
Total liabilities, deferred inflows of resources and fund balances	\$5,478,909	\$6,338,690	\$3,360,142	\$15,177,741	\$1,562	\$2,197,179	\$1,028,044	\$8,724	\$18,413,250

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES AND OTHER FINANCING SOURCES	Townwide <u>General</u>	Town Outside Village <u>General</u>	Town Outside Village <u>Highway</u>	Total Combined <u>General</u>	<u>Library</u>	<u>Fire Protection</u>	Total Capital <u>Projects</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Revenues									
Real property taxes	\$5,002	\$ -	\$ -	\$5,002	\$338,002	\$2,124,105	\$ -	\$5,270	\$2,472,379
Real property tax items	7,197	-	-	7,197	877	-	-	-	8,074
Non-property tax items	2,991,972	626,965	2,975,296	6,594,233	-	-	-	-	6,594,233
Departmental income	212,797	1,112,961	-	1,325,758	-	-	-	121,228	1,446,986
Intergovernmental charges	8,915	9,085	52,284	70,284	-	4,920	-	600	75,804
Use of money and property	64,624	16,578	7,815	89,017	121	116,436	874	20	206,468
Licenses and permits	15,432	-	-	15,432	-	-	-	-	15,432
Fines and forfeitures	194,481	-	-	194,481	-	-	-	-	194,481
Sale of property and compensation for loss	5,194	10,762	12,827	28,783	-	-	-	-	28,783
Miscellaneous local sources	35,402	29,941	172	65,515	-	-	11,200	-	76,715
Intefund revenues	-	-	10,500	10,500	-	-	-	-	10,500
State aid	964,290	14,249	158,894	1,137,433	-	-	125,000	-	1,262,433
Federal aid	10,889	731	4,998	16,618	-	-	-	-	16,618
Total revenues	4,516,195	1,821,272	3,222,786	9,560,253	339,000	2,245,461	137,074	127,118	12,408,906
Other Financing Sources									
Transfers in	39,065	-	-	39,065	-	-	903,300	-	942,365
Total other financing sources	39,065	-	-	39,065	-	-	903,300	-	942,365
Total revenues and other financing sources	\$4,555,260	\$1,821,272	\$3,222,786	\$9,599,318	\$339,000	\$2,245,461	\$1,040,374	\$127,118	\$13,351,271

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS, (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

EXPENDITURES AND OTHER FINANCING USES	Townwide <u>General</u>	Town Outside Village <u>General</u>	Town Outside Village <u>Highway</u>	Total Combined <u>General</u>	<u>Library</u>	Fire <u>Protection</u>	Total Capital <u>Projects</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Expenditures									
General government support	\$1,447,756	\$ -	\$ -	\$1,447,756	\$ -	\$ -	\$ -	\$ -	\$1,447,756
Public safety	22,319	41,934	-	64,253	-	1,975,657	-	-	2,039,910
Health	441,174	3,734	-	444,908	-	-	-	-	444,908
Transportation	196,973	5,895	1,866,887	2,069,755	-	-	370,539	5,649	2,445,943
Economic assistance and opportunity	26,273	-	-	26,273	-	-	-	-	26,273
Culture and recreation	476,712	168,411	-	645,123	339,000	-	92,985	-	1,077,108
Home and community services	36,116	970,088	166,836	1,173,040	-	-	-	121,140	1,294,180
Employee benefits	580,283	142,060	351,206	1,073,549	-	119,265	-	-	1,192,814
Debt service	307,894	-	-	307,894	-	-	-	-	307,894
Total expenditures	3,535,500	1,332,122	2,384,929	7,252,551	339,000	2,094,922	463,524	126,789	10,276,786
Other Financing Uses									
Transfers out	15,000	752,600	171,700	939,300	-	-	2,465	600	942,365
Total expenditures and other financing uses	3,550,500	2,084,722	2,556,629	8,191,851	339,000	2,094,922	465,989	127,389	11,219,151
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,004,760	(263,450)	666,157	1,407,467	-	150,539	574,385	(271)	2,132,120
Fund Balances, Beginning	3,118,198	6,170,457	2,530,391	11,819,046	874	2,046,640	359,703	6,785	14,233,048
Fund Balances, Ending	\$4,122,958	\$5,907,007	\$3,196,548	\$13,226,513	\$874	\$2,197,179	\$934,088	\$6,514	\$16,365,168

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	<u>Custodial Funds</u>	<u>Service Award Program</u>
ASSETS		
Cash and investments	<u>\$ 19,857</u>	<u>\$483,443</u>
LIABILITIES		
Due to Other Funds	\$ 69	\$ -
Agency liabilities	<u>7,085</u>	<u>-</u>
Total liabilities	<u>\$ 7,154</u>	<u>\$ -</u>
NET POSITION		
Individuals, organizations and other governments		
Total net position	<u>\$ 12,703</u>	<u>\$483,443</u>

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2021

	<u>Custodial Funds</u>	<u>Service Award Program</u>
ADDITIONS		
Property tax collections for other governments	\$ 7,770,092	\$ -
Contributions	-	4,644
Investment returns	-	57,021
Bail and other receipts	5,540	-
Property tax overpayments	<u>25,519</u>	<u>-</u>
Total additions	<u>7,801,151</u>	<u>61,665</u>
DEDUCTIONS		
Payments of property taxes to other governments	7,769,932	-
Bail returned/forfeited and other payments	6,770	-
Benefit and administrative payment	-	10,770
Return of property tax overpayments	<u>25,519</u>	<u>-</u>
Total deductions	<u>7,802,221</u>	<u>10,770</u>
Net decrease in fiduciary net positions	(1,070)	50,895
Net position, beginning	<u>13,773</u>	<u>432,548</u>
Net position, ending	<u>\$ 12,703</u>	<u>\$483,443</u>

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWNWIDE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	<u>Adjustments</u>	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES					
Revenues					
Real property taxes	\$5,000	\$5,000	\$5,002	\$ -	\$2
Real property tax items	21,000	21,000	7,197	-	(13,803)
Non-property tax items	2,245,000	2,257,000	2,991,972	-	734,972
Departmental income	247,700	247,700	212,797	-	(34,903)
Intergovernmental charges	20,000	20,000	8,915	-	(11,085)
Use of money and property	61,000	61,000	64,624	-	3,624
Licenses and permits	18,000	18,000	15,432	-	(2,568)
Fines and forfeitures	275,000	275,000	194,481	-	(80,519)
Sale of property and compensation for loss	3,000	4,500	5,194	-	694
Miscellaneous local sources	6,500	48,921	35,402	-	(13,519)
State aid	688,000	691,100	964,290	-	273,190
Federal aid	-	133,400	10,889	-	(122,511)
Total revenues	3,590,200	3,782,621	4,516,195	-	733,574
Other Financing Sources					
Transfers in	36,600	39,065	39,065	-	-
Total revenues and other financing sources	\$3,626,800	\$3,821,686	\$4,555,260	\$ -	\$733,574

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWNWIDE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Adjustments (a)/ <u>Encumbrances</u>	Variance Favorable (Unfavorable)
EXPENDITURES					
General government support	\$1,508,856	\$1,677,973	\$1,447,756	\$132,712	\$97,505
Public safety	26,202	26,352	22,319	-	4,033
Health	474,738	474,386	441,174	-	33,212
Transportation	197,867	210,732	196,973	11,274	2,485
Economic assistance and opportunity	27,102	32,102	26,273	-	5,829
Culture and recreation	577,289	603,500	476,712	6,872	119,916
Home and community services	58,200	58,200	36,116	-	22,084
Employee benefits	636,000	636,000	580,283	-	55,717
Debt service	307,900	307,900	307,894	-	6
	<u>3,814,154</u>	<u>4,027,145</u>	<u>3,535,500</u>	<u>150,858</u>	<u>340,787</u>
Total expenditures					
Other Financing Uses					
Transfers out	15,000	30,000	15,000	15,000	- (a)
	<u>15,000</u>	<u>30,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>3,829,154</u>	<u>4,057,145</u>	<u>3,550,500</u>	<u>165,858</u>	<u>340,787</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures	(202,354)	(235,459)	1,004,760	165,858	1,074,361
Budgetary earnings and provisions for reserves	(1,000)	(1,000)	-	-	1,000
Fund balance appropriated	203,354	236,459	-	-	(236,459)
	<u>203,354</u>	<u>236,459</u>	<u>-</u>	<u>-</u>	<u>(236,459)</u>
Revenues and Other Financing Sources					
Over Expenditures and Other Financing Uses	\$ -	\$ -	\$1,004,760	\$165,858	\$838,902
	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,004,760</u>	<u>\$165,858</u>	<u>\$838,902</u>

(a) - Funding of Building and Infrastructure Reserve

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWN OUTSIDE VILLAGE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted Budget	Final Budget	Actual	Adjustments (a)	Variance- Favorable (Unfavorable)
REVENUES					
Non-property tax items	\$435,000	\$435,000	\$626,965	\$ -	\$191,965
Departmental income	421,800	871,600	1,112,961	(239,285)	2,076
Intergovernmental charges	-	-	9,085	-	9,085
Use of money and property	32,300	32,300	16,578	-	(15,722)
Sale of property and compensation for loss	-	-	10,762	-	10,762
Miscellaneous local sources	21,000	30,600	29,941	-	(659)
State aid	-	-	14,249	-	14,249
Federal Aid	-	-	731	-	731
	<u>910,100</u>	<u>1,369,500</u>	<u>1,821,272</u>	<u>(239,285)</u>	<u>212,487</u>
Other Financing Sources					
Transfers in	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>\$910,100</u>	<u>\$1,369,500</u>	<u>\$1,821,272</u>	<u>(\$239,285)</u>	<u>\$212,487</u>

(a) Mitigation fees collected and not budgeted

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWN OUTSIDE VILLAGE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Adjustments (a)/ <u>Encumbrances</u>	Variance Favorable (Unfavorable)
EXPENDITURES AND OTHER FINANCING USES					
Expenditures					
General government support	\$1,000	\$ -	\$ -	\$ -	\$ -
Public safety	27,700	42,200	41,934	-	266
Health	4,034	4,034	3,734	-	300
Transportation	12,000	7,500	5,895	-	1,605
Culture and recreation	174,790	191,869	168,411	14,219	9,239
Home and community services	530,761	1,059,780	970,088	26,246	63,446
Employee benefits	161,300	159,300	142,060	-	17,240
	-----	-----	-----	-----	-----
Total expenditures	911,585	1,464,683	1,332,122	40,465	92,096
Other Financing Uses					
Transfers out	41,000	757,600	752,600	5,000	- (a)
	-----	-----	-----	-----	-----
Total expenditures and other financing uses	952,585	2,222,283	2,084,722	45,465	92,096
	-----	-----	-----	-----	-----
Revenues Over (Under) Expenditures and Other Financing Uses	(42,485)	(852,783)	(263,450)	(284,750)	304,583
Budgetary earnings and use/provisions for reserves	(57,300)	(57,300)	-	-	57,300
Mitigation fees and reserves appropriated	56,000	796,085	-	5,000	(791,085)
Fund balance appropriated	43,785	113,998	-	-	(113,998)
	-----	-----	-----	-----	-----
Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	\$ -	\$ -	(\$263,450)	(\$279,750)	(\$543,200)
	=====	=====	=====	=====	=====

(a) - Funding of Equipment Reserve

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWN OUTSIDE VILLAGE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	<u>Adjustments</u>	Variance Favorable (Unfavorable)
REVENUES					
Non-property tax items	\$2,525,000	\$2,525,000	\$2,975,296	\$ -	\$450,296
Intergovernmental charges	35,000	56,000	52,284	-	(3,716)
Use of money and property	16,400	16,400	7,815	-	(8,585)
Sale of property and compensation for loss	-	-	12,827	-	12,827
Miscellaneous local sources	-	-	172	-	172
Interfund revenues	-	-	10,500	-	10,500
State aid	90,000	158,000	158,894	-	894
Federal aid	-	-	4,998	-	4,998
	-----	-----	-----	-----	-----
Total revenues	2,666,400	2,755,400	3,222,786	-	467,386
	-----	-----	-----	-----	-----
Other Financing Sources					
Transfers in	-	-	-	-	-
	-----	-----	-----	-----	-----
Total revenues and other financing sources	\$2,666,400	\$2,755,400	\$3,222,786	\$ -	\$467,386
	-----	-----	-----	-----	-----

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - TOWN OUTSIDE VILLAGE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
EXPENDITURES					
Transportation	\$2,116,000	\$2,200,500	\$1,866,887	208,321	125,292
Home and community services	173,000	177,500	166,836	-	10,664
Employee benefits	400,500	400,500	351,206	-	49,294
	-----	-----	-----	-----	-----
Total expenditures	2,689,500	2,778,500	2,384,929	208,321	185,250
	-----	-----	-----	-----	-----
Other Financing Uses					
Transfers out	-	171,700	171,700	-	-
	-----	-----	-----	-----	-----
Total expenditures and other financing uses	2,689,500	2,950,200	2,556,629	208,321	185,250
	-----	-----	-----	-----	-----
Revenues Over (Under) Expenditures	(23,100)	(194,800)	666,157	(208,321)	652,636
	-----	-----	-----	-----	-----
Budgetary earnings and use/provisions for reserves	(2,400)	(2,400)	-	-	2,400
	-----	-----	-----	-----	-----
Other reserve appropriated	-	50,000	-	-	(50,000)
	-----	-----	-----	-----	-----
Fund balance appropriated	25,500	147,200	-	-	(147,200)
	-----	-----	-----	-----	-----
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$666,157	(\$208,321)	\$457,836
	=====	=====	=====	=====	=====

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	<u>Adjustments</u>	Variance Favorable (Unfavorable)
REVENUES					
Real property taxes	\$338,000	\$338,000	\$338,002	\$ -	\$2
Real property tax items	-	-	877	-	877
Use of money and property	300	300	121	-	(179)
	<u>338,300</u>	<u>338,300</u>	<u>339,000</u>	<u>-</u>	<u>700</u>
Total revenues	338,300	338,300	339,000	-	700
EXPENDITURES					
Culture and recreation	339,000	339,000	339,000	-	-
	<u>339,000</u>	<u>339,000</u>	<u>339,000</u>	<u>-</u>	<u>-</u>
Total expenditures	339,000	339,000	339,000	-	-
Revenues Over (Under) Expenditures	(700)	(700)	-	-	700
Fund balance appropriated	700	700	-	-	(700)
	<u>700</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>(700)</u>
Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
BUDGETARY COMPARISON STATEMENT - FIRE PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Adopted Budget	Final Budget	Actual	Adjustments (1)	Variance Favorable (Unfavorable)
REVENUES					
Real property taxes	\$2,124,100	\$2,124,100	\$2,124,105	\$ -	\$5
Real property tax items	8,500	8,500	-	-	(8,500)
Intergovernmental charges	4,900	4,900	4,920	-	20
Use of money and property	1,000	1,000	116,436	(116,266)	(830)
	-----	-----	-----	-----	-----
Total revenues	2,138,500	2,138,500	2,245,461	(116,266)	(9,305)
	-----	-----	-----	-----	-----
EXPENDITURES					
Public safety	1,976,000	1,976,000	1,975,657	-	343
Volunteer service award program	164,000	164,000	119,265	44,735	-
	-----	-----	-----	-----	-----
Total expenditures	2,140,000	2,140,000	2,094,922	44,735	343
	-----	-----	-----	-----	-----
Revenues Over (Under) Expenditures	(1,500)	(1,500)	150,539	(161,001)	(8,962)
	-----	-----	-----	-----	-----
Fund balance appropriated	1,500	1,500	-	-	(1,500)
	-----	-----	-----	-----	-----
Revenues Over Expenditures	\$ -	\$ -	150,539	(\$161,001)	(10,462)
	=====	=====	=====	=====	=====

(1) Adjust for Service Award Program Trust Activity

See accompanying notes and independent auditor's report

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies

The Town of Malta, New York, (the "Town") which was established in 1802, is governed by its Town Code and other general laws of the State of New York. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting councilpersons, all elected. The Town Supervisor serves as the chief executive and fiscal officer. The Town Board has also established the Office of the Town Comptroller to assist the Town Board in the management of the Town.

The Town provides various services which include public safety, fire protection and emergency services, maintenance of Town roads (including construction, repair and snow removal), street lighting, parks and recreation, library, planning and zoning enforcement, a community center, economic assistance and other general services. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies:

a) Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements #14, #39 and #61.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB Statements including legal standing, fiscal dependency and financial accountability.

In 2010 the GlobalFoundries/Town of Malta Foundation, Inc ("Foundation") was established to provide a perpetual fund, the interest earned from which will be used to provide tangible benefits of a public nature to diverse groups located in whole or in part within the Town of Malta including, but not limited to: not-for-profit corporations; charitable organizations; community arts and theater; community historical sites and events; education; and sports and recreation. The Board of Directors of the Foundation shall consist of five (5) directors to be comprised as follows: the Town Board of the Town of Malta shall designate two (2) such directors (the "**Malta Directors**");

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

Globalfoundries U.S. Inc. shall designate two (2) such directors (the “**Globalfoundries Directors**”); and, the remaining director shall be elected by majority vote of the Malta Directors and the Globalfoundries Directors; provided, however, that such director be a person who shall reside, work or own a business within the Town of Malta. The Foundation prepares a separate financial report that includes financial statements and required supplementary information. The Foundation report may be obtained by writing to the Foundation, P.O. Box 2914, Malta, New York 12020.

Based on the application of the aforementioned criteria, the Town has determined it has no component units including the Foundation.

b) Basis of Presentation

The Town’s financial statements are presented on a government-wide, governmental fund and fiduciary fund basis in accordance with generally accepted government accounting standards. As a result these financial statements include a management discussion and analysis of the Town’s overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the Town’s activities including infrastructure (roads, bridges, culverts etc.) and a change in the focus of fund financial statements to major funds.

Government-wide Financial Statements

The government-wide financial statements present aggregated information for the overall government, excluding activities reported in fiduciary funds, on a full accrual, economic resource basis. This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town’s net position resulting from the current year’s activities. Internal fund transactions, including, but not limited to, operating transfers, receivables and payables have been eliminated. Government-wide financial statements include a statement of net position and a statement of activities and changes in net position.

The statement of net position recognizes all current and non-current assets including capital assets as well as long-term debt and obligations. The Town’s net position is

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

reported in three parts - investments in capital assets; restricted net position due to legal limitations imposed on their use by legislation or external restrictions by other governments; and unrestricted net position. The statement of activities presents a comparison between direct expenses (including depreciation) and related program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services are allocated among the Town's programs and functions using appropriate allocation methods such as payroll costs and square footage. Program revenues include charges paid by the recipient for the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The Town's primary program revenues are court fines, building permits, planning fees, sewer fees and recreational program charges. Revenues which are not classified as program revenues are presented as general revenues and consist primarily of property, town share of county sales taxes and franchise taxes, investment earnings, and mortgage tax receipts.

Basic Financial Statements - Fund Financial Statements

The fund financial statements provide information about the Town's funds. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund balances, revenues, and expenditures. The focus of governmental fund financial statements is on major funds rather than reporting funds by fund type with each major fund presented in a separate column. Non-major funds are aggregated and presented in a single column. The following funds are used by the Town:

- * Townwide General Fund - is the Town's primary operating fund and it is used to account for all financial resources and expenditures not accounted for and reported in another fund.
- * Town Outside Village General Fund - used to account for and report the proceeds of specific revenues sources which are restricted by statute to expenditure on the area of the Town outside the Village for such as items as recreation, building and planning services other than debt service and capital projects.
- * Town Outside Village Highway Fund – used to account for and report the proceeds of specific revenue sources which are restricted by Highway Law Section 277 to expenditure for highway repairs and improvements, culverts, machinery, snow

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

removal, and miscellaneous highway related items for the area of the Town outside the Village other than debt service and capital projects.

- * Library Fund - established to account for and report the proceeds of specific revenues sources which are restricted for the purpose of library expenditures other than debt service and capital projects.
- * Fire Protection Fund - established to account for and report the proceeds of specific revenues sources which are restricted for fire protection expenditures other than debt service and capital projects.
- * Water Supply Fund - established to account for and report the proceeds of specific revenues sources which are restricted for the purpose of water supply expenditures other than debt service and capital projects.
- * Lighting District Fund - established to account for and report the proceeds of specific revenues sources which are restricted for the purpose of lighting expenditures other than debt service and capital projects for the Rosebay/Larkspur, Rum Cherry, Ermine Lair and Burton Meadows Lighting Districts.
- * Sewer District Fund - established to account for and report the proceeds of specific revenues sources which are restricted for the purpose of sewer expenditures other than capital projects for the southern portion of the Town generally known as Malta Sewer District #2.
- * Capital Projects Fund - The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects ongoing as of December 31, 2021 relate to recreational and transportation improvement projects.

Fiduciary Fund Financial Statements

The fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are used to report fiduciary activity that meet the criteria established in GSAB Statement #84 such as custodial funds and the Town's ambulance service award program.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

c) Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred regardless of when the related cash flow takes place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property, sales, franchise, and mortgage taxes, fines, grants and donations. On an accrual basis, revenue from non-exchange transactions is recognized in the fiscal year for which the taxes are levied or the underlying transaction takes place. Revenues from grants and donations are recognized in the fiscal year in which the eligibility requirements have been satisfied. This approach differs from the manner in which governmental fund financial statements are prepared. The governmental fund financial statements are reconciled to the government-wide financial statements in Note 8 to the financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable except that principal and interest on indebtedness are not recognized as expenditures until paid. Capital assets are recorded as expenditures and depreciation is not recorded.

Allocations of costs are not recognized in the governmental funds. In applying the susceptible-to-accrual concept under the modified accrual basis, the Town considers all revenues available if they are collected within six months of the year end and are available to pay obligations of the current period.

For reimbursements due for State and Federal Aid funded projects, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town;

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1

Summary of Significant Accounting Policies, continued

therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

The primary non-property tax revenue item is the Town's share of County sales tax which is recorded as revenue when it is recognized by the County from the State and available for distribution to the Town. Sales tax revenue is allocated to the Townwide General fund, the Town Outside Village General fund and the Town Outside Village Highway fund based upon the Town's adopted budget.

d) Budgetary Data

General Budget Process - Prior to October 1 of each year, the Budget Officer submits to the Town Clerk and the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public workshops and a public hearing are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications of the budget. For year end financial reporting, adjustments are made to actual results to conform to modified budget classifications and reflect year end encumbrances.

Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

e) Cash and Cash Equivalents

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

f) Accounts Receivable

Accounts receivable are carried at original amount due less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines if an allowance for doubtful accounts is needed by identifying troubled accounts and by using historical experience applied to an aging of accounts as well as regularly evaluating individual receivables and considering financial condition,

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

credit history, and current economic conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. Management has deemed that no allowance for doubtful accounts is necessary at December 31, 2021.

g) Inventory and Prepaid Items

Inventory, consisting of salt, salt brine, and gasoline is valued at the lower of cost, (first-in, first-out method) or market. Payments to vendors for costs such as insurance, retirement, software and memberships that apply to future accounting periods are recorded as prepaid assets.

h) Capital Assets and Depreciation

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair market value at the time received. Infrastructure such as roads and streets, including related drainage systems and Town owned bridges and culverts are capitalized.

Capital assets with a minimum depreciable basis of \$5,000 are depreciated in the government-wide financial statements using the straight-line method with capital assets below this threshold being expensed in the year acquired. Estimated useful lives of the various classes of depreciable assets are as follows: buildings - 15 to 30 years, building improvements - 10 to 30 years, land improvements -15 to 20 years, infrastructure - 12 to 30 years, machinery and equipment - 10 to 20 years, vehicles and trucks - 5 to 10 years, and equipment and furniture - 5 to 15 years.

i) Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such will not be recognized as an inflow of resources (revenues) until that time.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

j) Accounting and Financial Reporting for Pensions

The Town has adopted the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transitions for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." The Town has also adopted the provisions of GASB Statement No. 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and 68. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. The implementation of the Statements requires the Town to report as an asset and/or liability its portion of the collective pension asset and/or liability in the New York State Employees' Retirement System and the Town's Volunteer Service Award Programs. The implementation of the Statements also requires the Town to report a deferred outflow and/or inflow for the effect of the net change in the Town's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as deferred outflows are the Town contributions to the pension systems subsequent to the March 31, 2021 measurement date. See notes 8, 9, 11 and 12 of the financial statements for the impact of implementation on the financial statements.

k) Accounting and Reporting for Post-Employment Benefits

The Town adopted the provisions of GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements are also addressed.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

l) Revenue Recognition - Property Taxes

Taxes for Town purposes are based on Town budget requirements. Taxes are collected by the Town until April 1. Taxes collected are first applied to the Town levy and then subsequently to the County levy. The County is responsible for all outstanding taxes as of April 1st. The following calendar pertains to Town real property taxes:

Valuation date	January 1
Taxable status date and exemption filing deadline	March 1
Final roll filed	July 1
Date taxes due	January 1
Date penalty period begins	February 1

New York State passed Chapter 97 of Laws of 2011 (Tax Cap Law) which restricts the amount of real property taxes that may be levied by local governments in a particular year. The growth in annual levy is limited to the lesser of two percent or the annual change in the national unadjusted consumer price index for all urban consumers, subject to certain limited exceptions and adjustments. The Town Board, by board resolution, may override the tax cap levy. In 2021 the Town tax levy was within the tax cap limit.

m) Compensated Absences

Town employees are granted vacation, personal and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave at their current rate of pay. The liability for accumulated vacation and related benefits has been recorded in accordance with GASB Statement No. 16. No payment is made for accumulated personal or sick leave, therefore no liability has been recorded.

n) Fund Balances

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally or contractual required to be maintained intact. These amounts include prepaid items and inventories.

Restricted fund balance includes amounts restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board and contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well amounts that have been contractually obligated by the Town or designated by the Town Board for the ensuing year's budget or for a specific purpose.

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

For projects undertaken by the Town that have resources available from multiple sources and categories, resources are first spent from the highest constraint level possible.

The Town also recognizes four competing needs which must be balanced to in order to be successful:

- Provide quality services to our residents
- Maintain public facilities and infrastructure
- Recruit, train and retain employees that meet our goal of excellent service
- Maintain fiscal integrity

All four are as equally important as the other, therefore neglecting any one or placing more importance on another will negatively impact the Town's overall goals. In order to ensure the fiscal strength of the Town while at the same time limiting the accumulation of fund balance so that service, maintenance and personnel issues can be addressed, the Town will attempt to maintain an amount equivalent to at least two (2) months of general operating expenditures as unreserved fund balance, but will also take into account anticipated future capital improvements and repairs (ie, road infrastructure improvements). In the event of an emergency situation or due to legislative mandates that materially effects the Town's financial operations, the Town may need to reduce the unrestricted fund balance below the targeted minimum, but the Town will attempt to replenish these amounts within the next two fiscal years.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

- o) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in general, special revenue and capital projects funds. Encumbrances are reported as restrictions, commitments or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Significant encumbrances were included in the reporting of fund balance for the following:

	<u>General</u>	<u>Town Outside Village General</u>	<u>Town Outside Village Highway</u>	<u>Capital Projects</u>
Assigned For:				
General Government	\$132,714	\$ -	\$ -	\$ -
Transportation	\$ 11,274	\$ -	\$208,321	\$112,174
Recreation	\$ 6,872	\$ 14,219	\$ -	\$849,091
Home and Community	\$ -	\$ 26,246	\$ -	\$ -

- p) Contributed Infrastructure

Road infrastructure and other improvements that have been determined to be in compliance with the Town's Code are accepted by the Town from developers. During 2021 the Town accepted and assumed ownership of road infrastructure with an estimated fair value of \$98,961.

- q) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from the estimates.

- r) Subsequent Events

The Town has evaluated subsequent events or transactions occurring through the date the financial statements were available to be issued. The United States is presently still in the

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 1 Summary of Significant Accounting Policies, continued

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

Note 2 Credit Risk, Concentration of Credit Risk and Interest Rate Risk

The Town's written investment policy was adopted by the Town Board and is governed by State statutes. Town monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Authorized investments include demand accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America, obligations of the State of New York, local municipalities, school districts or district corporations, public authorities, certificates of participation, obligations of the Town but only with monies in a reserve fund. Collateral is required for demand accounts and certificate of deposits at 100 percent of all deposits not covered by federal deposit insurance.

The Volunteer Firefighter Service Award Program is governed by a separate investment policy adopted by the Town Board. Both the Town Board and the Village of Round Lake Board are responsible for the investment of the Service Award Program's assets in accordance with the investment policy. Service award program contributions may be invested in the following types of investments: money market accounts, obligations of the United States of America, obligations of agencies of the United States of America, mutual funds investing in any type of fixed income investments, mutual funds or trusts investing in stocks of United States Companies considered blue chip stocks, allowed to include Mid Cap, Small Cap, Global, International and other categories at the discretion of the Town and the Village.

As of December 31, 2021 the Town had the following investments in the Volunteer Firefighter Service Award Program stated at fair value:

Money Funds	\$ 45,522
US Equities (Cost Basis \$311,975)	440,981
International Equities (Cost Basis \$296,121)	350,578
Fixed Income (Cost Basis \$1,340,225)	<u>1,336,236</u>
Total	<u>\$ 2,173,317</u>

The Volunteer Firefighter Service Award Program fund investments were not covered by Federal Depository Insurance nor collateralized and thus exposed to custodial credit risk. All mutual funds had a Morningstar Associates rating of 3 or higher.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 3 Restricted Assets

Restricted assets consist of cash, certificates of deposit and related interest receivables:

<u>Fund</u>	<u>Restricted Balance</u>	<u>Type of Restriction</u>
Townwide General	\$ 183,057	Tax Stabilization Reserve
	7,119	Equipment Reserve
	158,607	Building/Infrastructure Reserve
	<u>564,905</u>	Post Employment Health Insurance
	<u>913,688</u>	
Town Outside Village General	62,519	Tax Stabilization Reserve
	624,287	Park Reserve
	264,235	Open Space Reserve
	71,972	Equipment Reserve
	2,760,320	SEQRA Mitigation
	<u>374,554</u>	Post Employment Health Insurance
	<u>4,157,887</u>	
Town Outside Village Highway	150,476	Tax Stabilization Reserve
	46,397	Highway Equipment Reserve
	5,472	Culvert Repair Capital Reserve
	<u>417,266</u>	Post Employment Health Insurance
	<u>619,611</u>	
Capital Projects	<u>903,044</u>	Parks and Road Projects
	<u>\$6,594,230</u>	

Note 4 Capital Assets and Depreciation

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers & Contributions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 2,108,704	\$ -	\$ 17,000	\$ -	\$ 2,125,704
Land Improvements	6,637,388	-	381,527	-	7,018,915
Work in Progress	2,059,954	422,557	(2,037,641)	-	444,870
Buildings	13,950,407	9,033	-	-	13,959,440
Infrastructure	42,106,890	934,412	204,582	615,935	42,629,949
Equipment	<u>6,911,850</u>	<u>13,788</u>	<u>140,779</u>	<u>68,627</u>	<u>6,997,790</u>
	<u>\$73,775,193</u>	<u>\$ 1,379,790</u>	<u>\$ (1,293,753)</u>	<u>\$ 684,562</u>	<u>\$73,176,668</u>

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 4 Capital Assets and Depreciation, continued

Less Accumulated	Beginning		Transfers &		Ending
<u>Depreciation:</u>	<u>Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u>
Buildings	\$ 6,439,907	\$ 433,035	\$ -	\$ -	\$ 6,872,942
Improvements	2,987,568	343,073	-	-	3,330,641
Infrastructure	23,580,352	1,455,145	-	615,935	24,419,562
Equipment	4,616,889	310,483	-	68,627	4,858,745
	<u>37,624,716</u>	<u>2,541,736</u>	<u>-</u>	<u>684,562</u>	<u>39,481,890</u>
Net capital assets	<u>\$36,150,477</u>	<u>\$(1,161,946)</u>	<u>\$(1,293,753)</u>	<u>\$ -</u>	<u>\$33,694,778</u>

Work in progress consists of recreation and highway improvement projects.

Depreciation was charged to the following functions:

General Government	\$ 44,669
Transportation	1,838,263
Culture and Recreation	650,609
Public Safety	3,351
Home and Community Services	4,844
Total depreciation expense	<u>\$2,541,736</u>

Note 5 Noncurrent Liabilities

Noncurrent liabilities consist of \$150,000 in General Obligation Serial Bonds issued January 2013 for the new Highway Garage with interest ranging from 2.25%-2.40% with a final maturity of 2023 and \$1,410,000 in General Obligation Serial Bonds issued in October 2016 with interest ranging from 2% to 4% percent with a final maturity of 2028 which were used to advance refund \$2,215,000 million of outstanding 2008 General Serial bonds for the Community Center with an interest rate of 3.915%.

	Beginning		Payments/	Ending
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
General obligation serial bonds	\$1,815,000	\$ -	\$ 255,000	\$1,560,000
Unamortized premium	126,287	-	23,752	102,535
	<u>\$1,941,287</u>	<u>-</u>	<u>\$ 278,752</u>	<u>\$1,662,535</u>

The Town's future bond debt service requirements are as follows:

	Principal	Interest	Total Debt Service
2022	\$ 260,000	\$ 47,644	\$ 307,644
2023	265,000	42,200	307,200
2024	195,000	37,500	232,500

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 5 Noncurrent Liabilities, continued

2025	195,000	33,600	228,600
2026	205,000	25,800	230,800
2027-2028	<u>440,000</u>	<u>26,600</u>	<u>466,600</u>
Total	<u>\$1,560,000</u>	<u>\$ 213,344</u>	<u>\$1,773,344</u>

Note 6 Unearned Revenues and Deposits

Unearned revenues and deposits consists primarily of American Rescue Plan funding, developer contributions, recreational and community grants and program/rental fees received for 2022 programs and events.

Note 7 Fund Balances

Fund balances consist of the following:

	Townwide General	Town Outside Village General	Town Outside Village Highway	Fire Protection	Capital Projects	Other	Total
Nonspendable:							
Inventory	\$ -	\$ -	\$ 56,807	\$ -	\$ -	\$ -	\$ 56,807
Prepaid	87,257	19,896	44,732	7,730	-	-	159,615
Restricted for:							
Tax Stabilization	183,057	62,519	150,476	-	-	-	396,052
Equipment	7,119	71,972	46,397	-	-	-	125,488
Facility/Infrastructure	158,607	-	-	-	-	-	158,607
Culverts	-	-	5,472	-	-	-	5,472
Open Space	-	264,235	-	-	-	-	264,235
Recreation	-	624,287	-	-	-	-	624,287
Committed for:							
Traffic Mitigation	-	1,454,640	-	-	-	-	1,454,640
Recreation	-	906,434	-	-	-	-	906,434
Visual	-	18,548	-	-	-	-	18,548
Water Mitigation	-	178,940	-	-	-	-	178,940
Planning Mitigation	-	201,758	-	-	-	-	201,758
Assigned to:							
2022 Budget	10,000	-	-	-	-	1,375	11,375
Health Insurance	564,905	374,554	417,266	-	-	-	1,356,725
Part-town Activities	-	1,729,224	-	-	-	-	1,729,224
General Government	132,714	-	-	-	-	-	132,714
Recreation	6,872	-	-	-	648,283	-	655,155
Highway	11,274	-	2,475,398	-	285,805	-	2,772,477
Lighting	-	-	-	-	-	3,654	3,654
Library	-	-	-	-	-	174	174
Sewer	-	-	-	-	-	2,185	2,185
Fire Protection	-	-	-	2,189,449	-	-	2,189,449
Unassigned	<u>2,961,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961,153</u>
Total	<u>\$4,122,958</u>	<u>\$5,907,007</u>	<u>\$3,196,548</u>	<u>\$2,197,179</u>	<u>\$ 934,088</u>	<u>\$ 7,388</u>	<u>\$16,365,168</u>

Nonspendable

Inventory – represents amounts equivalent to the amount of inventory on hand which is not considered to be in spendable form.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 7 Fund Balances, continued

Prepaid – represent amounts equivalent to prepaid expenditures which are not considered to be in spendable form.

Restricted

Tax Stabilization Reserve - Pursuant to General Municipal Law, Section 6-e, the Town has established a Contingency and Tax Stabilization Reserve.

Equipment, Facility and Infrastructure Reserve - Pursuant to General Municipal Law, Section 6-c, the Town has established equipment, facility and infrastructure reserves.

Culvert Repair Capital Reserve - Pursuant to General Municipal Law, Section 6-d, the Town has established a culvert repair capital reserve.

Open Space Capital Reserve - Pursuant to General Municipal Law, Section 6-c, the Town has established an Open Space Capital Reserve to finance the acquisition, development, preservation and protection of open spaces, agricultural lands, water resources, trails, plant and wild life habitat scenic views and vistas located within the Town including their development rights,

Recreation Town Outside Village General - Pursuant to General Municipal Law, Section 6-c, the Town has established a Park Capital Reserve for purpose of providing sufficient, well-located, active and passive recreational opportunities for Town residents.

Highway Capital Project – monies established for the Route 9 Complete Street Project, Old Post Road Improvement Project and Highway Pointe sidewalk repairs.

Recreation Capital Project – Contributions specifically designated combined with monies allocated from the recreation park reserve and mitigation fees in a capital projects fund for the further development of the LFTC recreational field complex and the Malta Community Park.

Committed

Mitigation – Monies obligated for mitigation associated with future land development as a result of Town Board adopted SEQR determination or Planned Development District.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 7 Fund Balances, continued

Assigned

Health Insurance – Monies designated by Town Board resolution toward the Town’s post-employment health care benefit obligation.

Significant Encumbrances

The Town’s significant encumbrances outstanding at year end consisting primarily of technology upgrades, maintenance equipment and general services/supplies \$132,713; park projects, recreation services and supplies \$870,182; building and planning equipment \$26,246; and highway equipment and road improvements \$331,769.

Note 8 Reconciliation of Governmental Fund Balances to Net Position and Net Changes in Fund Balances – Total Government Funds to Change in Net Position of Governmental Activities

The “total fund balances” of the Town’s governmental funds differ from the “net position” of governmental activities reported in the statement of net position primarily due to differences from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Reconciliation of governmental fund balances to net position:

Governmental fund balances	\$ 16,365,168
Reflect capital assets, net of accumulated depreciation	33,694,778
Reflect outstanding bonds	(1,560,000)
Record post-employment liability	(9,215,130)
Reflect Town share of NYS retirement system pension liability	(6,711)
Record volunteer service award program liabilities	(4,554,366)
Deferred outflows of resources – pension/post-employment benefits	4,940,435
Record deferred inflow for bond premium	(102,535)
Deferred inflows of resources – pensions/post-employment benefits	(3,648,708)
Recognize unearned fine revenues, accrued interest and other	<u>56,904</u>
Government activities net position	<u>\$ 35,969,835</u>

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 8 Reconciliation of Governmental Fund Balances to Net Position and Net Changes in Fund Balances – Total Government Funds to Change in Net Position of Governmental Activities

Net changes in fund balances – total government funds	\$ 2,132,120
Capitalize capital assets acquisitions and improvements	1,379,790
Transfer of infrastructure to New York State	(1,409,714)
Contributed infrastructure from developers	115,961
Record depreciation expense, net	(2,541,736)
Payments on bonds	255,000
Recognize other post-employment benefits expense	(770,766)
Reflect Town share of NYS retirement system pension liability	149,540
Reflect Town volunteer service award program liabilities	(266,566)
Recognize accrued expense and deferred revenues	<u>39,766</u>
Change in net position of governmental activities	<u>\$ (916,605)</u>

Capital assets that are to be used in governmental activities that are purchased or constructed are reported as expenditures in governmental funds. However, the statements of net position includes those capital assets of the Town as a whole and the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense in the statement of activities as well as the gain or loss on the disposal of the fixed assets.

Non-current liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly not reported as fund liabilities. All liabilities, both current and non-current are reported in the statement of net position including other postemployment benefits and the Town's proportionate share of the collective New York State Retirement System liability and volunteer service award program liabilities. Repayment of bond principal is reported as an expenditure in governmental funds, but for the Town as a whole, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Note 9 Retirement Benefits

Plan Description and Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (System). 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 (Fund), which was established to hold all

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 9 Retirement Benefits, continued

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. The Comptroller is an elected official determined in a statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018 he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that the pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by the enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provide death benefits in the form of life insurance. 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 the following web site: www.osc.state.ny.us/retire/publication/index.php or obtained in writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Contributions

The System is noncontributory except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership in the System and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their entire length of service, and on or after April 1, 2012 who generally contribute between 3% and 6% (based on annual wage) for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based upon salaries paid during the Systems fiscal year ending March 31. For the fiscal year ending March 31, 2021 the average contribution rate was approximately 14.6% of payroll. The Town's required contributions for the current year and two preceding years, which represent 100% of the contributions required for each year, were as follows:

	<u>Contribution</u>
2021	\$335,716
2020	\$319,710
2019	\$324,700

Retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 9 Retirement Benefits, continued

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

At December 31, 2021 the Town reported a liability of \$6,711 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based upon a project of the Town's long term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021 the Town's proportion was .0067402%.

For the year ended December 31, 2021 the Town recognized pension expense of \$182,182. At December 31, 2021 the Town reported deferred outflows of resources related to pensions from the following sources:

Differences between expected and actual experience	\$ 81,965
Changes of assumptions	1,234,026
Changes in proportion and differences between Town contributions and proportionate share of contributions	99,098
Contributions made subsequent to the measurement date	<u>335,715</u>
Total	<u>\$1,750,804</u>

At December 31, 2021 the Town reported deferred inflows of resources related to pensions from the following sources:

Changes of assumptions	\$ 23,274
Net Difference between projected and actual investment earning on pension plan investments	\$1,927,934
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>\$ 49,077</u>
Total	<u>\$2,000,285</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2022	(\$ 97,360)
2023	(\$ 26,072)
2024	(\$ 93,887)
2025	(\$367,877)

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 9 Retirement Benefits, continued

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined using an actuarial valuations as April 1, 2020, with updated procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Investment rate of return	5.9% compounded annually, net of investment expenses
Salary scale	4.4%
Cost of living adjustments	1.4% annually
Decrement tables	April 1, 2015 – March 31, 2020 System's Experience
Inflation rate	2.7%
Mortality improvement	Society of Actuaries Scale MP-2018

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

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

The real rate of return is net of the long-term inflation assumption of 2.00 percent.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% (6.8% at December 31, 2020). The projection of cash flows used to determine the discount rate assumes that the contributions from plan members will be made at the current contribution rates and that the

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 9 Retirement Benefits, continued

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 the current plan members. Therefore the long term expected rate of return on the pensions plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following present the Town's proportionate share of the net pension liability calculated using the discount rate of 5.90%. as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.9%) than the current rate.

	1% Decrease 4.90%	Current 5.90%	1% Increase 6.90%
Town's proportionate share of the net pension liability (asset)	\$1,862,849	\$6,711	(\$1,705,081)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of March 31, 2021 were as follows:

	(Dollars in Thousands)
Employers total pension liability	\$220,680,157
Plan net position	(\$220,580,583)
Employers' net pension liability	<u>\$ 99,574</u>
Ratio of plan position to the employer's total pension liability	99.95

Note 10 Post-Employment Benefits

Plan Description

GASB Statement 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 10 Post-employment Benefits, continued

retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The post-employment benefit liability is recognized on the Statement of Net Position over time, rather than when they use their post-employment benefit.

Benefits Provided and Employees Covered by Benefit Terms

The Town provides post-employment healthcare benefits for certain eligible retirees. As of January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	15
Active Employees	<u>32</u>
Total Participants covered by OPEB Plan	<u>47</u>

Total OPEB Liability and Actuarial Assumptions and Other Inputs

The Town's total OPEB liability of \$9,215,130 as of December 31, 2021 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements, unless otherwise specified:

Discount Rate	2.12% (3.44% at December 31, 2019)
Healthcare Cost Trend Rates:	
Current Year Trend (Pre 65\Post 65)	5.31%\2.92%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
Salary Increases	3.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of January 1, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006).

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 10 Post-employment Benefits, continued

<u>Changes in the Total OPEB Liability</u>	<u>December 31, 2021</u>
OPEB liability beginning of year	\$ 8,934,668
Changes for the year:	
Service cost	286,404
Interest	187,366
Benefit payments	<u>(193,308)</u>
OPEB liability end of year	<u>\$ 9,215,130</u>

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

The January 1, 2020 valuation was prepared using a discount rate of 2.12%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability as of December 31, 2021 would decrease to \$7,894,305 or by 14.82%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$10,917,441 or by 18.47%.

Discount Rate

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
December 31, 2020	\$10,612,420	\$8,934,668	\$7,592,807
December 31, 2021	\$10,917,441	\$9,215,130	\$7,849,305

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

The January 1, 2020 valuation was prepared using an initial trend rate of 5.31%\2.92%. If the trend rate were 1% higher than what was used in this valuation, the Total OPEB Liability as of December 31, 2021 would increase to \$11,274,909 or by 22.35%. If the trend rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$7,610,740 or by 17.41%.

Healthcare Cost Trend Rates

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Baseline</u>	<u>1% Increase</u>
December 31, 2020	\$7,433,512	\$8,934,668	\$10,852,462
December 31, 2021	\$7,610,740	\$9,215,130	\$11,274,909

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 10 Post Employment Benefits, continued

OPEB Expenses

For the year ended December 31, 2021, the Town recognized an OPEB expense as follows:

	<u>December 31, 2021</u>
Service cost	\$ 286,404
Interest	187,366
Difference between expected and actual experience	(32,439)
Changes of assumptions or other inputs	<u>522,743</u>
Net OPEB Expense	<u>\$ 964,074</u>

Deferred Outflows and Inflows of Resources Related to OPEB

At December 31, 2021 the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 152,557	(\$1,328,374)
Changes of Assumptions	<u>1,699,839</u>	<u>-</u>
	<u>\$1,852,396</u>	<u>(\$1,328,374)</u>

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

12/31/2022	490,304
12/31/2023	13,633
12/31/2024	3,790
12/31/2025	<u>16,295</u>
	<u>\$ 524,022</u>

The annual post-employment benefits expense was charged to the following functions:

General Government	\$407,226
Transportation	374,060
Culture and recreation	59,194
Home and Community Services	<u>123,594</u>
Total	<u>\$964,074</u>

As of December 31, 2021 the Town Board has set aside designated cash of \$1,356,725 towards the Town's for post-employment benefit obligations.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 11 Volunteer Firefighter Service Award Program

Plan Description

In connection with the Town's fire protection service contracts with the Village of Round Lake and a local volunteer fire company, the Town/Village, by mandatory referendum, implemented a volunteer firefighter service award program effective January 1, 1999 pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

Benefits Provided

The program is a defined benefit retirement plan covering active volunteer firefighters who have annually earned 50 service credits and who are at least 18 years of age. For each year of active volunteer firefighter service credit earned, a monthly service award of \$10 up to a maximum monthly payment of \$400 is paid to the volunteer beginning at age 65 for ten years or for the volunteer's lifetime, whichever is greater. Additionally, credit for prior service was awarded for the years 1990 through 1998 up to a maximum of 5 years for all eligible volunteer firefighters. Prior service benefits were amortized and funded by the Town. In December 2007 the Town/Village, by mandatory referendum, amended the program to provide a monthly service award of \$20 for years beginning January 1, 2008.

Participants

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	34
Inactive participant entitled to but not yet receiving benefit payments	55
Active participants	<u>83</u>
Total	<u>172</u>

Contributions

New York State General Municipal Law §219(d) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms and the Town Board serves as trustees, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73 and the plan's assets of \$2,173,317 have been reflected in the Town's Fire Protection Fund.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 11 Volunteer Firefighter Service Award Program, continued

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

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

Discount Rate

The discount rate used to measure the total pension liability was 1.93% (3.26% at December 31, 2019). This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/2019 measurement date	\$3,087,069
Service Cost	128,107
Interest	103,393
Changes of assumptions or other inputs	805,704
Differences between expected and actual experience	36,440
Benefit Payments	<u>(87,240)</u>
Net Changes	<u>986,404</u>
Balance as of 12/31/2020 measurement date	<u>\$4,073,473</u>

Sensitivity of the Total Pension Liability to changes in the discount rate

The following presents the total pension liability of the Town as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93%, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage point

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 11 Volunteer Firefighter Service Award Program, continued

lower (.93%) or 1-percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension liability	\$4,867,115	\$4,073,473	\$3,445,718

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

For the year ended December 31, 2021, the Town recognized pension expense of \$327,810.

Components of pension expenses were as follows:

Service cost	\$128,107
Interest on total pension liability	103,393
Changes of assumptions or other inputs	76,271
Differences between expected and actual experience	12,103
Pension plan administrative expenses	7,936
Total pension expense	<u>\$327,810</u>

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the volunteer firefighter service award program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 119,772	\$(12,765)
Changes of assumptions or other inputs	1,038,078	(292,242)
Benefit payments and administrative expenses subsequent to measurement date	<u>119,265</u>	<u>-</u>
Total	<u>\$1,277,115</u>	<u>\$(305,007)</u>

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2022.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 11 Volunteer Firefighter Service Award Program, continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$ 88,374
2023	15,802
2024	15,802
2025	15,802
2026	15,802
Thereafter	<u>701,261</u>
	<u>\$852,843</u>

Note 12 Volunteer Ambulance Worker Service Award Program

Plan Description

In connection with the Town's emergency service contract with a local volunteer ambulance company the Town, by mandatory referendum, implemented a volunteer ambulance worker service award program effective January 1, 2001 pursuant to General Municipal Law. The program is a defined benefit retirement plan covering active volunteer ambulance workers who have earned 50 service credits and who are at least 18 years of age.

Benefits Provided

For each year of active volunteer service credit earned, a monthly service award of \$10 up to a maximum monthly payment of \$400 is paid to the volunteer beginning at age 65 for ten years or for the volunteer's lifetime, whichever is greater. Additionally, credit for prior service was awarded for up to a maximum of 5 years for all eligible volunteer ambulance workers. Prior service benefits were amortized and funded over a five year period by the Town. In December 2007, the Town, by mandatory referendum, amended the program to provide a monthly service payment of \$20 and to allow volunteers to continue to earn service credit after retirement age effective January 1, 2008.

Participants Covered

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	2
Inactive participant entitled to but not yet receiving benefit payments	13
Active participants	<u>5</u>
Total	<u>20</u>

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 12 Volunteer Ambulance Worker Service Award Program, continued

Contributions

New York State General Municipal Law §219-o (1) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution is appropriated annually by the Town Board.

Trust Assets

Although assets have been accumulated in a trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town and the New York State Comptroller serves as the trustee. The plan's assets of \$483,443 have been reflected in the Town's Statement of Fiduciary Net Position.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP2020.

Discount Rate

The discount rate used to measure the total pension liability was 1.93% (3.26% at December 31, 2019). This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 12 Volunteer Ambulance Worker Service Award Program, continued

Changes in the Total Pension Liability

Balance as of 12/31/2019 measurement date	\$389,384
Service Cost	7,770
Interest	12,872
Changes of assumptions or other inputs	85,344
Differences between expected and actual experience	(9,867)
Benefit Payments	(4,610)
Net Changes	<u>91,509</u>
Balance as of 12/31/2020 measurement date	<u>\$480,893</u>

Sensitivity of the Total Pension Liability to changes in the discount rate

The following presents the total pension liability of the Town as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93%, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.93%) or 1-percentage point higher (2.93%) than the current rate:

	1% Decrease <u>(0.93%)</u>	Current Discount Rate <u>(1.93%)</u>	1% Increase <u>(2.93%)</u>
Total Pension liability	\$562,367	\$480,893	\$415,572

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

For the year ended December 31, 2021, the Town recognized pension expense of \$62,665.

Components of pension expenses were as follows:

Service cost	\$ 7,770
Interest on total pension liability	12,872
Changes of assumptions or other inputs	47,518
Differences between expected and actual experience	(8,355)
Pension plan administrative expenses	<u>2,860</u>
Total pension expense	<u>\$ 62,665</u>

At December 31, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to the volunteer ambulance worker service award program from the following sources:

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 12 Volunteer Ambulance Worker Service Award Program, continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 394	\$(8,332)
Changes of assumptions or other inputs	50,893	(6,710)
Benefit payments and administrative expenses subsequent to measurement date	<u>8,833</u>	<u>-</u>
Total	<u>\$ 60,120</u>	<u>\$ (15,042)</u>

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2022	\$34,506
2023	<u>1,739</u>
	<u>\$36,245</u>

Note 13 Deferred Compensation

The Town is a participant in the New York State Deferred Compensation Program ("Plan") and the New York State Deferred Compensation Board are the trustees of the Plan. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. The Plan invests all amounts of compensation deferred under the Plan, at the direction of the covered employee. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust for the exclusive benefit of the employee and their beneficiaries. In accordance with GASB Statement No. 32 Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, municipalities should report only those plans in which the municipality is the trustee of the plan in their financial statements. As a result the market value of the Plan's assets totaling \$4,914,665 as of December 31, 2021 has not been reported in the fiduciary fund financial statements.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 14 Operating Transfers and Interfund Balances

During the course of normal operations, the Town records numerous transactions between funds including expenditures for the provision of services as well as transfers between funds to finance various projects. Individual fund operating transfer revenues and expenses arising from these transactions as of December 31, 2021 were as follows:

	<u>Revenues</u>	<u>Expenses</u>	<u>Purpose of Expense</u>
Townwide General Fund	\$ 39,065	\$ 15,000	Sidewalk Projects
Town Outside Village General Fund	-	752,600	Park Projects/ Old Post Road
Town Outside Village Highway Fund		171,700	Old Post Road
Capital Projects Fund:			
Highpointe Sidewalk Project	15,000	-	
Old Post Road Project	287,300	-	
Highway Garage Expansion	-	2,465	
LFAF Park Project	601,000	-	
Water Supply Fund	-	600	Administrative Services
	<u>\$ 942,365</u>	<u>\$ 942,365</u>	

The Town Outside Village Highway Fund provided an estimated value of \$10,500 of equipment usage for the Old Post Road Project in 2021.

Note 15 Indirect Cost Allocations

Indirect expenses for centralized services such as building and grounds, postage, computers and insurance have been allocated as follows in the statement of activities:

General Government	\$158,526
Transportation	42,094
Culture and Recreation	248,315
Home and Community Services	24,282
	<u>\$473,217</u>

Note 16 Commitments and Contingencies

Litigation

The Town becomes involved in various lawsuits arising in the normal course of business including claims for property damage, personal injury and suits contesting assessments. The Town intends to defend all of these claims vigorously. As of December 31, 2021 no adjustments have been made to the financial statements since the Town is unable to reasonably estimate the final outcome of these claims.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 16 Commitments and Contingencies, continued

Insurance

The Town participates in a self-insurance plan for workers' compensation under County of Saratoga Local Law No. 1 and 2 of 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan, which currently has 31 participants, is open to any eligible municipality or public entity for participation. The County of Saratoga, New York is responsible for administration of the plan and its reserves. The plan purchases commercial insurance for employer's third party suits; the limit is \$1,000,000 with retention of \$10,000. Settled claims have not resulted in a claim against this excess liability coverage since the inception of the plan. All participants make annual payments to the plan based upon historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. For the year ended December 31, 2021 the Town's workers' compensation premium was \$127,174. The Town's Statement No. 10 Accounting and Financial Reporting for Risk Financial and Related Insurance Losses, which requires that claims and judgments be recognized when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. Based upon the County's December 31, 2020 financial statements (last available information) the County has recorded claims liabilities of \$21,022,000, established a claim reserve of \$12,964,000 and recorded a \$14,773,000 receivable from the participants in the plan. The Town's share of this liability is not readily available. The County issues a publicly available financial report which may be obtained by writing to the County of Saratoga, 40 McMaster Street, Ballston Spa, New York 12020. The Town contracts with the New York Municipal Insurance Reciprocal for property and casualty insurance coverage.

Debt Defeasance

In 2017 the Town's advance refunding of the 2008 General Obligation Serial bonds reduced its total debt service payments over the next 12 years by approximately \$260,000.

Environmental Concerns

The Town is engaged in many activities (ie, highway maintenance, salt and gasoline storage), in the normal course of operations that are potentially hazardous to the environment. Policies, procedures and safeguards have been implemented by the Town to assist in the protection of the environment. As of December 31, 2021 the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

Economic Development

In connection with commercial, residential or other economic development, the Town requires the developers/owners to provide the Town with a letter of credit, performance bond, or cash at the time of the final submission of the plans to cover the full cost of the improvements. The amount of the letter of credit, performance bond or cash deposit is based upon a construction cost

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 16 Commitments and Contingencies, continued

estimate prepared by the developer/owner that is reviewed by the Town's engineers and approved by the Town. The Town is not aware of any project for which there is not an adequate letter of credit, performance bond or cash deposit.

The Town has been awarded grants for such purposes as economic development, road construction and recreation which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowance and a request for a return of funds to the federal and State governments. Based upon past audits, the Town believes disallowances, if any, will be immaterial and no adjustments have been made to the financial statements for the year ended December 31, 2021.

CK Sanitary Sewer System, Inc

In 2004, CK Sanitary Sewer System, Inc. ("Sewer System") was abandoned to the Towns of Malta and Clifton Park in accordance with Section 119 of Town Law. The Sewer System consists of all the sewage collection piping, manholes, and pump stations constructed to serve the properties in the service area. Subsequently, sewer districts were formed by both Towns and an inter-municipal agreement was entered into with the Town of Clifton Park relating to the ownership, maintenance and operation of the Sewer System since approximately 80% of the customers of the system are in the Town of Clifton Park. Accordingly, no financial information relating the Sewer System has been reflected in the Town's financial statements. A copy of this financial report may be obtained by writing to the Town of Clifton Park, 1 Town Hall Plaza, Clifton Park, New York 12065.

Summary financial information of the Sewer System as of December 31, 2021 is as follows:

Current assets	\$ 658,425
Current liabilities	\$ 29,030
Assigned fund balance	\$ 629,395
Revenues	\$ 875,628
Expenditures	\$ 787,995

GlobalFoundries Construction Inspection Services

In connection with the construction of the GlobalFoundries nanotechnology facility, the Town has entered into a construction review and inspection services agreement for which GlobalFoundries is responsible for payment pursuant to the planned development legislation. As of December 31, 2021, there is approximately \$41,700 of services incurred but not paid under this agreement for which the Town has an available escrow balance of \$137,000.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 16 Commitments and Contingencies, continued

Land Donation Agreement

In June 2021 the Town entered into a land donation agreement with New York State Police to donate approximately 4 acres of land with a book value of \$160,000. The Town is in the process of transferring this land to the New York State Police as of the date of this report.

Note 17 Tax Abatements

The Saratoga County Industrial Development Agency ("IDA"), a public benefit corporation, provides financial and tax incentives to increase employment opportunities by attracting new development and to maintain the present employment base by stimulating reinvestment by existing County businesses. The IDA has six tax abatement programs that generally provide for exemption from local and school real estate taxes under the provisions of Section 412-a of the Real Property Tax Law and Section 874 of the General Municipal Law. This exemption does not apply to special district taxes and/or special ad valorem levies. In exchange for this financial assistance each recipient enters in a payment in lieu of tax agreement (PILOT) which provides for annual payments in lieu of taxes in amounts which are based upon the IDA's uniform tax exemption policy. PILOT payments must be allocated to affected jurisdictions in the same proportion to the amount of real property tax which would have been received by the taxing jurisdiction had the project not been tax exempt. Agreements entered into with the IDA include clawback provisions should the recipient of the tax abatement fail to fully meet its commitments.

The six tax abatement programs are as follows:

- Manufacturing (new and existing facilities) – exemptions are at a rate of 50%-100% for a five year period. The percentage of abatement from years 6 through 10 will be from 0 – 100% as determined by the IDA.
- Nanotech Manufacturing - any new assessment resulting from improvements to POD #1 in the Luther Forest Technology Campus shall be subject to PILOT payments equal to 100% of the town, county and school taxes, however the allocation of town and school tax payments will be allocated 75% to Malta and 25% to Stillwater and then proportionately to the respective tax rates. PILOT agreements will be for 49 years and the above formula will terminate when there is one nanotechnology facility in each town.
- Commercial Service – exemptions are at a rate of 0-100% for years 1 through 10 of such assessments as determined by the IDA.
- Commercial Retail – exemptions will be limited to 50% of assessment in year 1, 40% in year 2, 30% in year 3, 20% in year 4 and 10% in year 5.
- Hydroelectric Facilities – annual payments will be based on an increasing percentage of gross annual income for a ten year period.

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

Note 17 Tax Abatements, continued

- Cogeneration Facilities – annual payments will be based on an increasing percentage of net revenue for a ten year.

The IDA also has the ability to extend its sales tax exemption for the purchase or rental of materials, supplies, tools, equipment or services incorporated into the facility or to be used exclusively in connection with the constructing or equipping of such facility to agents of the IDA. As agent of the IDA, each company must file an annual statement of the value of all sales tax exemptions claimed. Lastly, it is the policy of the IDA that all mortgages executed by the IDA are exempted by Section 874 of the General Municipal Law from the NYS Mortgage Recording Tax. Refinancing of existing projects are not eligible for an exemption unless the IDA makes a finding of the project's unique public benefit.

The County has entered into a Nanotech Manufacturing PILOT agreement with a company in the Town and this agreement, as amended by Court order, provides for an agreed upon schedule of values for existing facilities and facilities to be constructed for both technology space and office space with said values to be used to calculate the PILOT payment due. The values are as follows:

<u>Fab 8.1</u>	<u>PILOT Billing Year</u>	<u>Town Assessed Value</u>
	2017	\$513,000,000
	2018	\$473,000,000
	2019	\$433,000,000
	2020	\$393,000,000
	2021	\$353,000,000
	2022	\$313,000,000
	2023	\$273,000,000
	2024	\$233,000,000
	2025	\$193,000,000
	2026	\$158,000,000
	2027 to 2059	\$125,000,000
	<u>Technology Facility</u>	<u>Office Space</u>
	<u>Assessed Value Per Sq Foot Rate</u>	<u>Assessed Value Per Sq Foot Rate</u>
Year 1	\$450	\$100
Year 2	\$430	\$ 98
Year 3	\$410	\$ 96
Year 4	\$390	\$ 94
Year 5	\$370	\$ 92

TOWN OF MALTA, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

Note 18 Tax Abatements, continued

Year 6	\$350	\$ 90
Year 7	\$330	\$ 88
Year 8	\$310	\$ 86
Year 9	\$290	\$ 84
Year 10	\$270	\$ 82
Year 11	\$250	\$ 80
Year 12	\$230	\$ 78
Year 13	\$210	\$ 76
Year 14	\$190	\$ 74
Year 15	\$180	\$ 72
Year 16	\$180	\$ 70
Year 17	\$180	\$ 68
Year 18 through end of agreement	\$180	\$ 65

In August 2016 the County entered into Manufacturing PILOT agreement with a company in the Town with an exemption on the additional assessed value of 100% for a five year period and an exemption beginning at 50% with a 10% reduction per year for years 6 through 10 as well as exemptions from state and local sales tax and mortgage recording tax. This PILOT commences on February 15, 2018.

In August 2017 the County entered into a supplemental PILOT agreement with this company with an exemption on a 2017 project facility on the additional assessed value of 100% for a five year period and an exemption beginning at 50% with a 10% reduction per year for years 6 through 10.

In December 2021 the County entered into a supplemental PILOT agreement with this company with an exemption on a 2021 project facility on the additional assessed value of 100% for a five year period and an exemption beginning at 50% with a 10% reduction per year for years 6 through 10.

As a result of the agreed upon reduction of assessed values relating to the Nanotech Manufacturing PILOT, other Town property owners will likely bear a 1.5% increase in fire protection taxes in ensuring years not factoring in any other changes in assessed values or the fire protection tax levy.

**ADDITIONAL REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**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 Members of the Town Board
Town of Malta, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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, the aggregate remaining fund information and fiduciary activities of the Town of Malta, New York, 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, and have issued our report thereon dated April 27, 2022.

Internal Control Over Financial Reporting

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

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

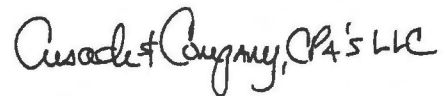
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



CUSACK & COMPANY, CPA's LLC

Latham, New York
April 27, 2022

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MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

April 27, 2022

To the Members of the Town Board
Town of Malta
2540 Route 9
Malta, New York 12020-4331

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and fiduciary activities of the Town of Malta for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 January 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Malta are described in Note 1 to the financial statements. There were no new accounting policies adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Town of Malta 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. There were no sensitive estimates affecting the Town of Malta's financial statements.

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. We proposed no adjustments.

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 April 27, 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 the Town of Malta'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 the Town of Malta'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 the required supplementary information (RSI), which are 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 the supplementary information, 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. We were not engaged

to report on other information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

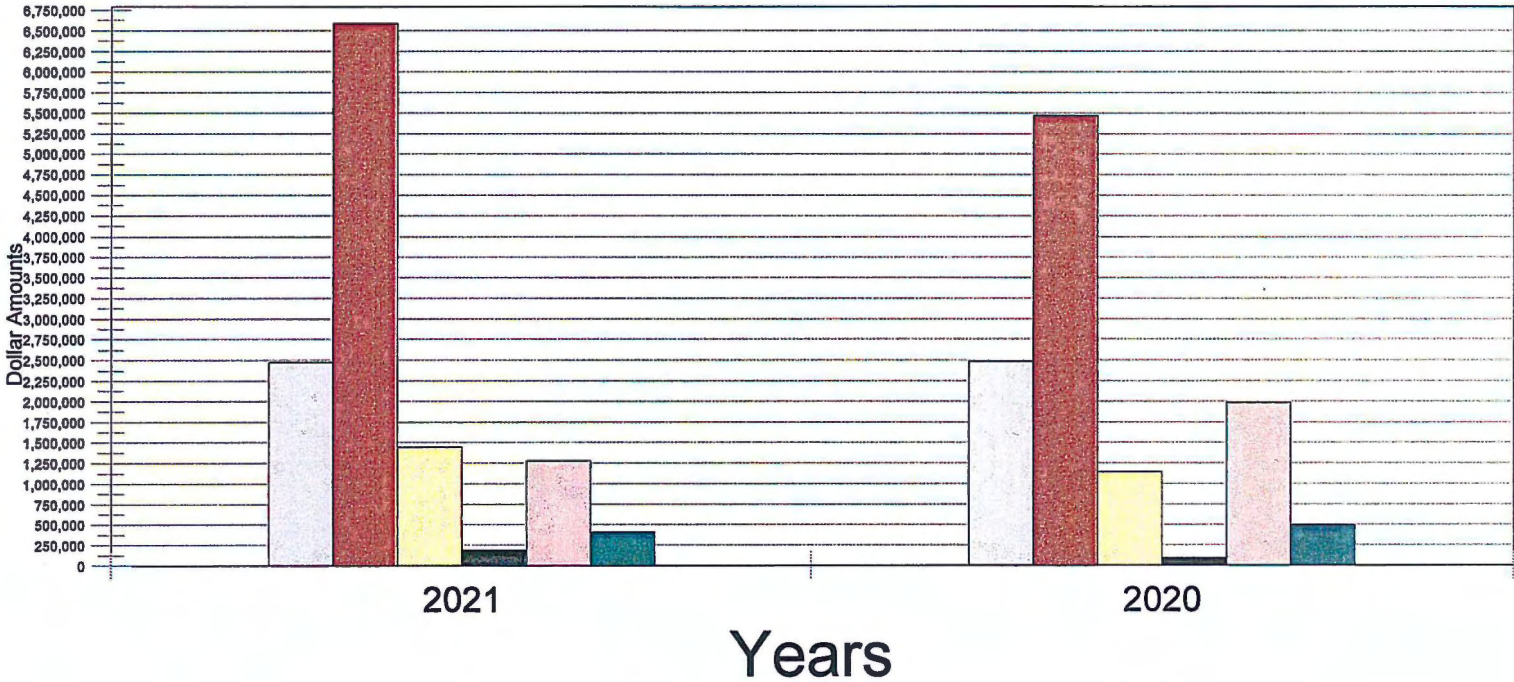
Very truly yours,

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

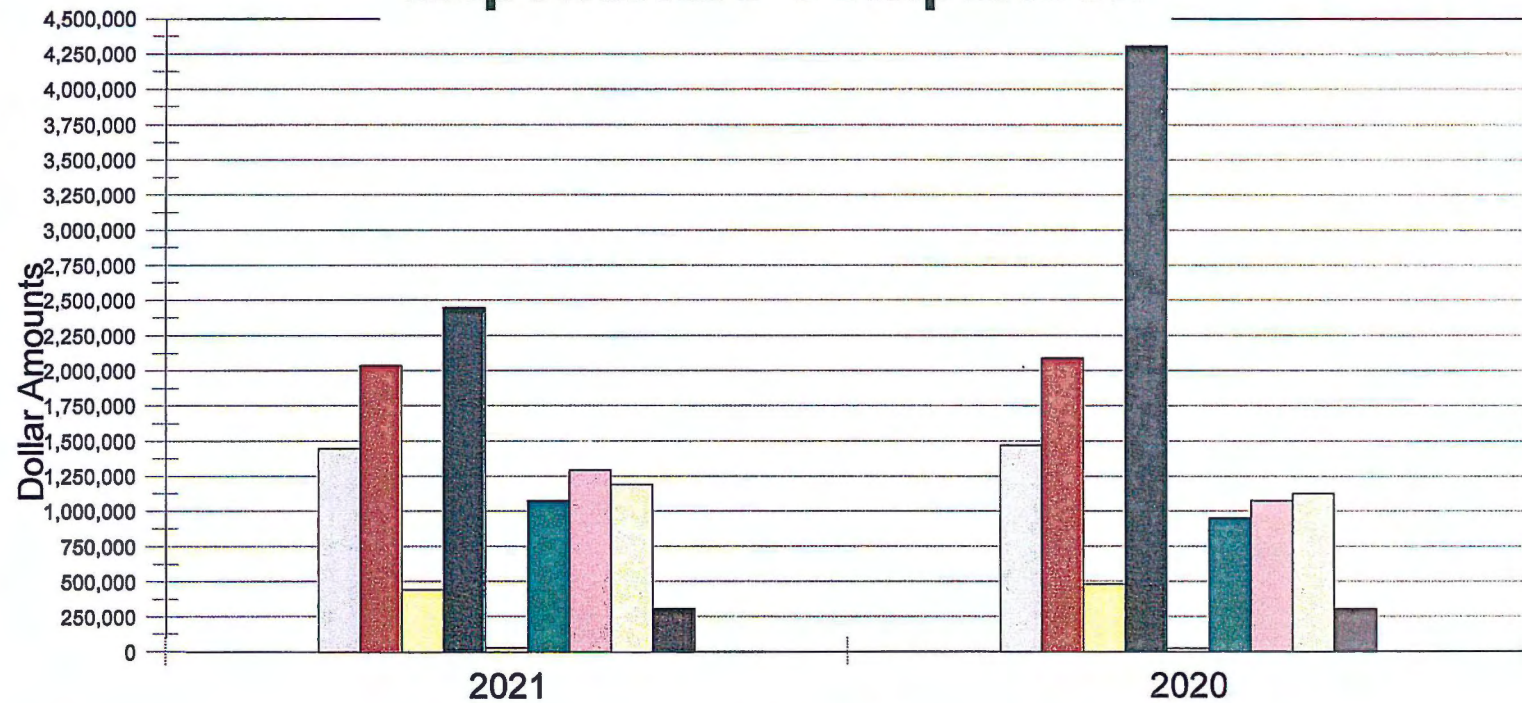
CUSACK & COMPANY, CPA'S LLC

SUPPLEMENTARY INFORMATION

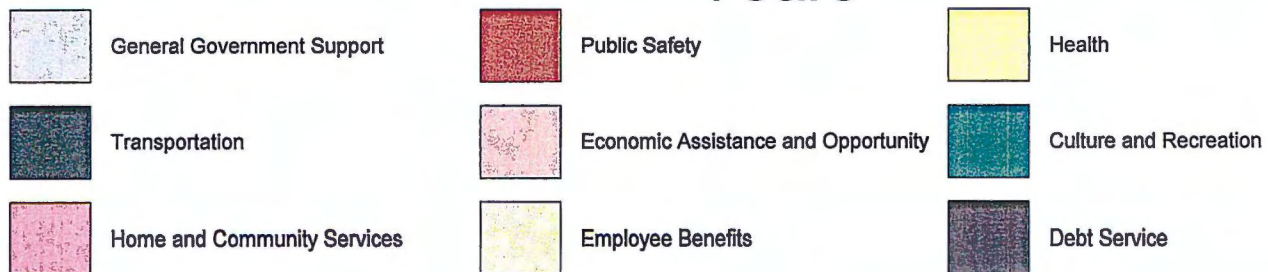
Town of Malta Revenue Comparison



Town of Malta Expenditure Comparison



Years



REQUIRED SUPPLEMENTARY INFORMATION

Town of Malta
Required Supplementary Information
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
December 31

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
OPEB Liability Beginning of Year	\$8,934,668	\$8,626,635	\$8,153,824	\$7,603,695	\$5,790,998
Changes for the Year:					
Service Costs	286,404	280,458	202,783	195,548	173,826
Interest	187,366	181,625	277,390	258,639	229,599
Assumption Changes	-	1,727,557	-	-	1,691,736
Difference Between Actual and Expected Experience	-	(1,692,312)	172,968	266,184	130,774
Change in Actuarial Cost Method	-	-	-	-	(311,196)
Benefit Payments	(193,308)	(189,295)	(180,330)	(170,242)	(102,042)
OPEB Liability End of Year	<u>\$9,215,130</u>	<u>\$8,934,668</u>	<u>\$8,626,635</u>	<u>\$8,153,824</u>	<u>\$7,603,695</u>
Covered Payroll	<u>\$2,103,221</u>	<u>\$2,041,962</u>	<u>\$2,042,062</u>	<u>\$1,837,387</u>	<u>\$2,080,018</u>
Total OPEB Liability as Percentage of Payroll	<u>438.14%</u>	<u>437.55%</u>	<u>422.45%</u>	<u>443.77%</u>	<u>365.56%</u>

Town of Malta
Required Supplementary Information
Schedule of Town's Proportionate Share of the Net Pension Liability
For the year ended December 31

New York State Employee Retirement System Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability	0.0067%	0.0070%	0.0072%	0.0079%	0.0084%	0.0100%	0.0082%	0.0082%
Town's proportionate share of the net pension liability	6,711	1,843,346	507,396	\$ 256,430	\$ 785,880	\$ 1,270,665	\$ 278,654	\$ 372,738
Town's covered payroll	2,245,484	2,322,265	2,337,717	\$ 2,432,982	\$ 2,409,767	\$ 2,413,179	\$ 2,217,027	\$ 2,277,309
Town's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	0.30%	79.38%	21.70%	10.54%	32.61%	52.66%	12.57%	16.37%
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%	97.20%

The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

Town of Malta
Required Supplementary Information
Schedule of Town's Employer Pension Contributions
For the year ended December 31

New York State Retirement System	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	335,716	319,710	324,700	\$340,388	\$349,657	\$354,749	\$377,100	\$433,236	\$458,611	\$315,649
Contributions in relation to the contractually required contribution	<u>335,716</u>	<u>319,710</u>	<u>324,700</u>	<u>\$340,388</u>	<u>\$349,657</u>	<u>\$354,749</u>	<u>\$377,100</u>	<u>\$433,236</u>	<u>\$458,611</u>	<u>\$315,649</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	2,245,484	2,322,265	2,337,717	\$2,432,982	\$2,409,767	\$2,413,179	\$2,217,027	\$2,277,309	\$2,182,914	\$1,925,498
Contributions as a percentage of covered payroll	14.95%	13.77%	13.89%	13.99%	14.51%	14.70%	17.01%	19.02%	21.01%	16.39%

Town of Malta
Required Supplementary Information
Schedule of Changes in Town's Service Award Program Total Pension Liability
For the year ended December 31

Volunteer Firefighter

Measurement Date as of December 31	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	128,107	115,053	123,603	111,363	124,519
Interest	103,393	101,233	89,720	91,530	80,385
Changes of assumptions or other inputs	805,704	181,599	(219,300)	237,722	(212,832)
Differences between expected and actual experience	36,440	60,048	25,854	(18,917)	30,544
Benefit Payments	(87,240)	(73,880)	(64,990)	(58,630)	(50,155)
Net Change in total pension liability	985,404	384,053	(45,113)	363,068	(27,539)
Total pension liability - beginning	3,087,069	2,703,016	2,748,129	2,385,061	2,412,600
Total pension liability - ending	4,073,473	3,087,069	2,703,016	2,748,129	2,385,061
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

Volunteer Ambulance Worker

Measurement Date as of December 31	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	7,770	7,224	10,071	13,595	12,718
Interest	12,872	12,989	11,725	12,476	11,062
Changes of assumptions or other inputs	85,344	20,223	(25,981)	27,016	(26,490)
Differences between expected and actual experience	(9,867)	1,516	(2,906)	(10,788)	(3,789)
Benefit Payments	(4,610)	(4,370)	(4,140)	(3,910)	(3,680)
Net Change in total pension liability	91,509	37,582	(38,389)	(38,389)	(10,179)
Total pension liability - beginning	389,384	351,802	363,033	324,644	334,823
Total pension liability - ending	480,893	389,384	351,802	363,033	324,644
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

Notes Required to Supplementary Information

Changes of assumptions or other inputs

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2015	3.20%
December 31, 2016	3.71%
December 31, 2017	3.16%
December 31, 2018	3.64%
December 31, 2019	3.26%
December 31, 2020	1.93%

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.