

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

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



\$2,000,000

TOWN OF BEEKMAN

DUTCHESS COUNTY, NEW YORK

\$2,000,000 Bond Anticipation Notes, 2021

(the "Notes")

Dated: December 16, 2021

Due: December 16, 2022

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

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about December 16, 2021.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on December 2, 2021 by no later than 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

November 19, 2021

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

TOWN OF BEEKMAN DUTCHESS COUNTY, NEW YORK

TOWN OFFICIALS

TOWN BOARD

MARY B. COVUCCI
Supervisor

SHARON WOHRMAN
Deputy Supervisor

EZIO BATTAGLINI
ROBERT SWARTZ

WERNER STIEGLER

* * * * *

LINDA BLOOMER
Town Bookkeeper

LAUREEN ABBATANTUONO
Town Clerk

CRAIG WALLACE, ESQ.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor


orrick
ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
of the
TOWN OF BEEKMAN
DUTCHESS COUNTY, NEW YORK

Relating To
\$2,000,000 Bond Anticipation Notes, 2021

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

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

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

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

The Notes are dated December 16, 2021 and mature, without option of prior redemption, on December 16, 2022. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State including among others, the Local Finance Law and various bond resolutions of the Town for the purposes and amounts outlined below.

Date Authorized	First Issue Date	Purpose	Amount Authorized	Amount Outstanding	Principal Paydown	New Money	Amount of the Notes
10/13/2020	12/17/2020	Rehabilitation to the Gardner Hollow Bridge	\$500,000	\$500,000	\$0	\$0	\$500,000
10/13/2020	12/17/2020	Town Hall and Municipal Buildings	500,000	500,000	0	0	500,000
10/9/2019	12/17/2020	Dover Ridge Water Dt Improvement	400,000	400,000	0	0	400,000
11/5/2020	12/17/2020	Dover Ridge Water Dt Improvement - Radon	100,000	100,000	100,000	0	0
3/30/2021	12/16/2021	Highway Equipment	600,000	0	0	600,000	600,000
Totals			<u>\$2,100,000</u>	<u>\$1,500,000</u>	<u>\$100,000</u>	<u>\$600,000</u>	<u>\$2,000,000</u>

The proceeds of the Notes, along with \$100,000 available funds of the Town, will partially redeem and renew the \$1,500,000 bond anticipation notes maturing December 17, 2021 and provide \$600,000 new money for the above-mentioned purposes.

BOOK-ENTRY-ONLY SYSTEM

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

DTC, a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE TOWN

General Information

The Town encompasses 30 square miles within the southern part of the County. New York City is located approximately 70 miles south of the Town, the State of Connecticut is 15 miles east of the Town. The Town is primarily rural residential in nature. There is some agricultural activity in the Town including several large horse farms. The economy of the Town is made up of small businesses providing services to residents. A State correctional facility is the largest employer in the Town while Nuvance is the largest employer in the County. Many residents of the Town commute to jobs in the Metropolitan New York area.

The Town was established in 1788 (originally included the present Towns of LaGrange and Union Vale in the County). The Town is a separate political entity vested with independent taxing and debt authority. Situated within the Town's borders are portions of two independent school districts. The school districts use the Town's assessment roll as the basis for taxation of real property within the Town.

Governmental operations of the Town are subject to the provisions of the State Constitution and various statutes affecting local government including the Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Real Property Tax Law. The Town is classified as a first class town under the provisions of the Town Law. The primary effect of first class status is to give greater flexibility to the way in which town government is organized and managed.

Services: The Town is responsible for providing most governmental services to its residents. Highway construction and the maintenance of roads is a Town function. Water and sewer services are provided to one limited special district within the Town. In addition, recreation is provided and parks are maintained through the Town government. Other services performed at the Town level include property assessment, building inspection, zoning administration and planning. Police protection is provided by the County Sheriff and the State Police. The Beekman Fire District furnishes fire protection and ambulance services to the Town. Refuse collection services in the Town are provided by private carters. The County's Resource Recovery Agency provides solid waste disposal and recycling services.

Education: Elementary and secondary education is the responsibility of the two independent school districts in the Town. Children of the Town attend one of the two districts, determined by geography. Dutchess County Community College, a two-year co-educational college, offers four main programs of study leading to associate degrees in the arts, science, applied science and a one year certificate. In addition, there are three four-year liberal arts colleges located in the County: Bard College, Marist College and Vassar College. Also located in the County is the Culinary Institute of America offering both associate and bachelor degrees in the culinary arts.

Financial Institutions: Numerous banking facilities are available to businesses or residents of the Town. Many of the State's major commercial banks have branch offices located in the area. Bank of America, HSBC Bank, JPMorgan Chase Bank, N.A., Key Bank, and M&T Bank have branches in close proximity to the Town. In addition, TEG Federal Credit Union is located within the Town and Hudson Valley Federal Credit Union and Mid-Hudson Valley Federal Credit Union are located in close proximity to the Town.

Transportation: The Town maintains its own interior road network. U.S. Route 55 and NYS 216 traverse the Town. There is easy access to the Taconic State Parkway to the west of the Town and Interstate Route 84 which lies to the south of the Town. Frequent bus service is available by the Dutchess County Loop System which provides intra-county service. Metro North Railroad runs a commuter service to New York City via the Hudson Line (with County stops at Poughkeepsie, New Hamburg and Beacon) and the Harlem line, (with County stops at Pawling, Wassaic and Dover Plains). A former Conrail line which passes through the southern portion of the Town was acquired by Metro North Railroad. Amtrak also provides service from the Poughkeepsie Railroad Station. Commercial air transportation is available at nearby Stewart International Airport located in Orange County, Westchester County Airport located in Westchester County and the County Airport located approximately 10 miles from the Town.

Utilities: Electricity is supplied throughout the Town by Energy East (formerly New York State Gas & Electric, Corp.). Local and long distance telephone services are provided by primarily Verizon and Frontier Communications Corporation.

Water and sewer systems in the Town are predominantly private systems. The Town currently also operates the Dover Ridge Water District and Dover Ridge Sewer District providing water and sewer services to 69 homes.

Culture and Recreations: There are numerous State, County and local year-round recreational areas and parks in the County providing facilities for a variety of popular activities for residents and visitors. Facilities located within the Town are Sylvan Lake, Depot Hill State Forest area and Federal Forest areas including the Appalachian Trail which crosses the southeastern portion of the Town.

The County provides social and health services to Town residents. Law enforcement and certain courts are a County function and the County sponsors a two-year community college offering associate degrees in various fields of study.

Population Trends

<u>Year</u>	<u>Town of Beekman</u>	<u>Dutchess County</u>	<u>New York State</u>
2000	11,452	280,150	18,976,457
2010	14,743	297,488	19,378,102
2019 (Estimate)	14,387	294,218	19,453,561

Source: U.S. Census Bureau.

Major Employers

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Nuvance	Healthcare	5,600
International Business Machine Corp.	Technology	4,100
GlobalFoundries/iPark	Manufacturing	2,500
Bard College	College	1,800
Mid-Hudson Regional Hospital	Healthcare	1,800
Culinary Institute of America	College	1,500
Gap Inc.	Logistics	1,300
Marist College	College	1,300
Vassar College	College	1,100
Central Hudson Gas & Electric Corp.	Utility	1,000

Note: The figures listed above pre-date the emergence of the COVID-19 pandemic and may have changed. The complete impact of the pandemic on the figures listed above is not known or predictable at this time.

Source: Dutchess County Official Statement dated March 18, 2021.

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 US Census Report, and the 2006-2010 and 2015-2019 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Town of Beekman	\$ 26,437	\$ 28,591	\$ 38,185	\$ 72,066	\$ 93,472	\$113,245
County of: Dutchess	23,940	31,642	40,093	63,254	83,599	102,248
State of: New York	23,389	30,948	39,326	51,691	67,405	84,385

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

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

	<u>Annual Averages</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Dutchess County	5.3%	4.5%	4.2%	4.3%	3.7%	3.5%	7.7%
State of New York	6.3%	5.3%	4.9%	4.7%	4.1%	3.8%	10.0%

	<u>2021 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>
Dutchess County	6.1%	6.5%	5.7%	5.0%	4.5%	4.9%	5.1%	4.9%	4.2%	N/A	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.2%	7.4%	7.1%	6.3%	N/A	N/A

Note: Unemployment rates for October and November of 2021 are not available as of the date of this Official Statement.

Unemployment rates have increased drastically since March of 2020 due to the COVID-19 pandemic.

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

Form of Town Government

The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four council members, elected at large to serve a four-year term, plus the Supervisor. Council members may serve an unlimited number of terms. Annual operating budgets for the Town must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board on the recommendation of the Supervisor and Finance Officer. The issuance of all Town indebtedness is subject to approval by the Town Board.

The Supervisor is the chief executive and chief fiscal officer of the Town and is elected for a two-year term of office with the right to succession. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include: the administration of the Town's daily functions, budget preparation and control (see "Discussion of Financial Matters – Budget Process herein) treasury management and debt issuance.

The Town Clerk acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, coordinating Town elections and collection of Town and School District taxes annually. The Town Clerk is elected to a four-year term and may serve an unlimited number of terms.

The Town Bookkeeper is appointed by the Town Board, upon recommendation of the Supervisor, and serves at the pleasure of this body. Duties and responsibilities of this position include: maintaining the Town's accounting systems and records, preparing the annual report for filing with the State Comptroller, debt and cash management, and paying vendor claims after audit by the Town Board. The Supervisor has appointed the Town Bookkeeper to serve as the Town Budget Officer.

The Town Assessor is appointed by the Town Board, on the Supervisor's recommendation, to serve a six-year term. It is the Assessor's responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State Office of Real Property Tax Services (the "State ORPTS"). The ORPTS provides an advisory service to assist with the assessment of certain forested lands, public utilities or unusually complex properties. Assessment review procedures include examination of the tentative assessment roll in the Assessor's presence, a public hearing before an independent board of assessment review and, finally, judicial review in the State Supreme Court.

Financial Operations

The Town Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Bookkeeper. Budgetary control during the year is the responsibility of the Town Supervisor assisted by the Town Bookkeeper. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specified types of bonds. As required by law, the Supervisor must execute an authorizing certificate, which then becomes a matter of public record.

The Town has an authorized position of Town Comptroller which is presently vacant.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and debt.

The Town observes a calendar year for operating and financial reporting purposes. The State Comptroller examines the Town periodically for operation efficiency and legal compliance.

The Town prepares an annual financial report which must be filed with the State Comptroller.

Budgetary Procedures

The budget process, including preparation, approval and amendment thereof, is determined by Article 8 of the Town Law. The Town Supervisor is the Town's budget officer and is required by law to file a tentative budget with the Town Clerk on or before September 30 of each year. The tentative budget is submitted to the Town Board not later than October 5; following review and modification, a preliminary budget hearing is held by the 15th of November.

At this hearing, members of the public may express opinions which the Board may take under advisement. Approval of the budget is not subject to a vote of the electorate and the Town Board may make changes following the hearing process. The Board is required to adopt the final annual budget by November 20. From time to time, the Town Board may make changes or modifications in the amount of annual appropriations subject to legal provisions. Summaries of the budgets for the two most recent fiscal years may be found in Appendix B, hereto.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Town has an investment policy applicable to the investment of all moneys and financial resources of the Town. The responsibility for the investment program has been delegated by the Board to the Chief Fiscal Officer who is required to establish written operating procedures consistent with the Town's investment policy guidelines. According to the investment policy of the Town, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments: The Town has designated any commercial bank located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Town is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Town include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Town (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section

109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Town, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Town may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse redemption agreements are not allowed under State law.

Collateral Requirements: All Town deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the “eligible securities,” “eligible surety bonds” or “eligible letter of credit” as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Town’s security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Town must be delivered, in a form suitable for transfer or with an assignment in blank, to the Town or its designated custodial bank. The custodial agreements used by the Town provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the Town, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Town in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

State Aid

The Town receives financial assistance from the State. In its budget for the 2021 fiscal year, approximately 11.44% of the revenues of the Town are estimated to be received in the form of State aid. The outbreak and continuing effects of the COVID-19 health crisis in the State may have a significant, adverse effect on the State’s financial condition, including reduction of State aid payable to towns. See “MARKET AND RISK FACTORS” herein.

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. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. 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.

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 resulting in a delay or reduction by the State in the payment of State aid and is expected to impact future sales tax revenues. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some

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

The State's revenue picture improved in the final quarter of fiscal year 2021, with tax collections exceeding expectations. On March 1, 2021, the State Executive and Legislature branches reached consensus that cumulative tax receipts over fiscal year 2021 and fiscal year 2022 would be at least \$2.5 billion higher than estimated in the Executive Budget Financial Plan. Collections through the end of fiscal year 2021 were even more favorable, providing the basis for the substantial upward revision to tax receipts. The State finished fiscal year 2021 in a stronger overall position in comparison to the Executive Budget Financial Plan. Results reflected both strong tax receipts and disbursements that fell substantially below budgeted levels.

On March 11, 2021, the Federal American Rescue Plan Act (ARPA) was enacted. The ARPA is a \$1.9 trillion economic stimulus bill intended to contain the COVID-19 pandemic and accelerate the nation's economic recovery. The ARPA provides the State with \$12.6 billion in general aid ("recovery aid") as well as \$17.2 billion in categorical aid for schools, universities, childcare, housing and other purposes. The enacted 2021-22 State budget provides for an increase in All Funds spending of 9.7% over 2020-21, relying on a combination of the new federal funding and revenue-raising initiatives to avoid cuts and support additional investments. According to the State, the budget deploys the first \$5.5 billion of the \$12.6 billion provided for under ARPA. The Town will be receiving a total application of \$1,475,585 in ARPA funds.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 pandemic.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. (See "MARKET AND RISK FACTORS – COVID-19" herein).

State Aid Revenues

The following table illustrates the percentage of total revenues of the Town for the below years comprised of State Aid Revenues.

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2016 (Unaudited)	\$ 4,480,716	\$ 579,027	12.9%
2017	4,447,331	500,911	11.3
2018	4,850,941	548,728	11.3
2019	5,244,887	512,617	9.8
2020	4,823,838	564,733	11.7
2021 (Budgeted)	4,660,000	533,120	11.4

Note: General and highway fund only. The Town implemented budget reductions for the 2020 and 2021 fiscal years to proactively offset negative financial impacts for the COVID-19 pandemic.

Source: 2016 Annual Update Document (unaudited), Audited Financial Statements of the Town for 2017-2020, and the adopted budget of the Town for 2021. This table is not audited.

Employees

The Town employs 17 full-time and 10 part-time employees. There are two collective bargaining organizations representing Town employees as follows:

<u>Organization</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
Teamsters Union Local No. 456	8	12-31-19 ⁽¹⁾
CSEA	6	12-31-20 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

Status and Financing of Employee Pension Benefits

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

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

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

The Town's payments to ERS since the 2015 fiscal year have been as follows:

<u>Fiscal Year</u>	<u>ERS</u>
2017	\$ 188,544
2018	194,304
2019	144,269
2020	162,520 ⁽¹⁾
2020	173,011
2021 (Budgeted)	200,000

⁽¹⁾ The \$162,520 due to the State Retirement System was paid by the Town before December 15, 2020.

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

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

A chart of average ERS and PFRS rates (2018 to 2022) is shown below:

<u>Year</u>	<u>ERS</u>
2018	15.3%
2019	14.9
2020	14.6
2021	14.6
2022	16.2

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

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

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; 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, than "Smoothing" contributions.

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

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

Other Post-Employment Benefits

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

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

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

Summary of Changes from the Last Valuation. The Town contracted with an actuarial firm to calculate its actuarial valuation under GASB 75 for the fiscal year ending December 31, 2020.

The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

	2018	2019
Balance beginning at December 31:		
<u>Changes for the year:</u>	<u>\$ 1,463,159</u>	<u>\$ 1,270,641</u>
Service cost	41,973	33,352
Interest	44,214	35,408
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	36,569	35,368
Economic/demographic gains or losses	(282,074)	(337,245)
Benefit payments	(33,200)	(23,698)
Net Changes	<u>\$ (192,518)</u>	<u>\$ (256,815)</u>
Balance ending at December 31:	2019	2020
	<u>\$ 1,270,641</u>	<u>\$ 1,013,826</u>

Note: The above table is not audited. See “APPENDIX – D” for additional information.

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

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.

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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state’s OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. While it was not enacted into law in recent legislative sessions, it is not possible to predict whether the Comptroller's proposed legislation will be reintroduced and enacted into law in the future.

Other Information

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

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

No principal or interest upon any obligation of this Town is past due. The Town of Beekman (the "Town") made a late interest payment due on February 1, 2019, with respect to the \$2,030,000 Public Improvement (Serial) Bonds, 2009 due to administrative oversight and a lack by DTC to provide wire instructions to new staff in the Finance Department. As soon as the Town was notified of the missed payment on February 13, 2019, the payment was made the same day.

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

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

Financial Statements

The Town retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the Town. The Audited Financial report for Fiscal Year ended December 31, 2020 is attached hereto as "APPENDIX – D". The financial affairs of the Town are also subject to annual audits by the State Comptroller. The Town did not prepare audited financial statements for the 2016 fiscal year. The Town hired a new accounting firm for the 2017 fiscal year and future fiscal years.

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

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

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

New York State Comptroller Report of Examination

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

There are no recent State Comptroller's audits of the Town.

The State Comptroller's Office was notified of a theft by the Town Tax Receiver and is presently being investigated by the County District Attorney and the State Comptroller's Office.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

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

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

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

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Beekman	\$1,244,970,889	\$1,247,137,123	\$1,254,660,437	\$1,268,997,710	\$1,271,325,341
Total Assessed Values	<u>\$1,244,970,889</u>	<u>\$1,247,137,123</u>	<u>\$1,254,660,437</u>	<u>\$1,268,997,710</u>	<u>\$1,271,325,341</u>
State Equalization Rates					
Towns of:					
Beekman	100.00%	100.00%	100.00%	99.00%	96.00%
Total Taxable Full Valuation	<u>\$1,244,970,889</u>	<u>\$1,247,137,123</u>	<u>\$1,254,660,437</u>	<u>\$1,281,815,869</u>	<u>\$1,324,297,230</u>

Source: Annual Dutchess County Tax Rates tables

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town	\$ 1.77	\$ 1.90	\$ 1.93	\$ 1.96	\$ 1.98
County	3.58	3.54	3.45	3.30	3.31

Source: Annual Dutchess County Tax Rates tables

Tax Collection Procedure

The assessment and collection of real property taxes is governed by the Real Property Tax Law of the State. Each town in the County assesses all real property within their boundaries and collects real property taxes and assessments thereon, including County taxes, during the times prescribed by law. Although the Town collects both Town and County taxes, the County guarantees the Town's taxes and enforces the collection thereof. The Town retains the first moneys collected on the combined Town and County tax bills and, therefore, receives 100% of its tax levy.

Town and County real property taxes as well as Town special district assessments are levied on January 1 and become a lien against the property on this date. Tax bills include all taxes and assessments due to the Town and County. Pursuant to the Real Property Tax Law, taxes and assessments are due on February 1 and may be paid, without interest, at any time during the month of February. Payments received on March 1 and thereafter must include interest at a rate of 1% per month.

The Town collects all taxes January 1 until April 30 (the statutory date which historically has been extended by the County to May 31). During this time, the Town retains the first moneys collected to satisfy its own levy and remits amounts collected thereafter to the County. The Town transmits a list of wholly unpaid taxes to County on or about June 1. A 5% penalty is added to such taxes by the County, which collects these taxes with interest computed at 1% per month from February 1. The County continues to collect delinquent taxes until paid or foreclosed pursuant to the In Rem procedure established in Article II, Title 3 of the Real Property Tax Law. An auction to foreclose on delinquent properties is generally held by the County in October of each year. The Town Clerk's Office handles the collection of taxes.

Total Tax Levy

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy ⁽¹⁾	\$8,766,874	\$8,944,135	\$9,012,528	\$8,967,552	\$9,016,689
Town Tax Levy	2,205,435	2,369,877	2,424,631	2,485,117	2,526,480

⁽¹⁾ Total Tax Levy includes County, Town, Fire, Library and Special Districts

Source: Annual Dutchess County Tax Rates tables.

Larger Taxpayers – 2021 Tax Roll

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation (a)</u>
Susan J. Kaskel	Farm	\$ 12,552,700	0.99%
NYSE & G Corp.	Electric Utility	11,625,341	0.91
Brerc Beekman SS Ny LLC	Stop & Shop Supermarket	9,118,000	0.72
Sharbell Dutchess Inc	Undeveloped Parcels/Future Development	8,136,600	0.64
Michael Gardner	Residence/Multi Purpose/Farm	4,630,000	0.36
Lake View Terrace MPH Inc.	Manufactured Housing Park	1,314,800	0.10
Spiro Realty Associates LLC	Undeveloped Lakefront Parcels/Future Development	1,002,800	0.08
Kevin M. Conrad	Multi Residence/Multi Purpose	925,000	0.07
Cemco Development Group	Multi Residence	302,400	0.02
Total		<u>\$ 49,607,641</u>	<u>3.90%</u>

The nine largest taxpayers shown have a total assessed valuation of \$49,607,641, which represents 3.90% of the tax base of the Town for the 2021 fiscal year.

As of the date of this Official Statement, the Town has 3 outstanding tax certioraris petitions. The Town is defending these outstanding petitions against the Assessor claimed values. At this time, the tax certiorari claims, if decided adversely to the Town, are not anticipated to have a material adverse impact on the Town's finances.

Source: Town tax rolls.

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Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the Town for the below years comprised of Real Property Tax Revenues.

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2016 (Unaudited)	\$ 4,480,716	\$ 2,164,057	48.3%
2017	4,447,331	2,193,997	49.3
2018	4,850,941	2,371,506	48.9
2019	5,244,887	2,427,000	46.3
2020	4,823,838	2,486,613	51.5
2021 (Budgeted)	4,660,000	2,517,225	54.0

Note: General and highway fund only.

Source: 2016 Annual Update Document (unaudited), Audited Financial Statements of the Town for 2017-2020, and the adopted budget of the Town for 2021. This table is not audited.

Sales Tax Revenues

The Town receives a share of the County sales tax. The County currently imposes a local 3.75% sales tax in addition to the 4.25% State tax. Such taxes are collected and administered by the State Tax Commission and the proceeds are paid monthly to the County.

The County currently imposes a 3.75% sales tax as a result of a 0.75% tax rate increase which became effective on June 1, 2003. Pursuant to Chapter 528 of the Laws of 2007, the State Legislature authorized a two-year extension of the 0.75% increase in the County's sales tax rate. The County Legislature amended the 1975 resolution enacting the County's sales tax by resolution 207259 which was signed by the County Executive on September 20, 2007. The additional 0.75% sales tax rate continues.

The County's 2013 budget capped the amount of sales tax that will be distributed to municipalities in the county to \$25 million for the 2013 fiscal year. This results in municipalities receiving approximately 85% of the sales tax previously received. To offset the impact to local municipalities, Dutchess County Government will absorb half of the 2011 and 2012 election costs due to be paid to the County and assumed the full cost of elections starting in 2013.

The following table sets forth total fund revenues and sale taxes received for each of the last five fiscal years and the amounts budgeted for the two most recent fiscal years.

The following table illustrates the percentage of total revenues of the Town for the below years comprised of Sales Tax Revenues.

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues</u>	<u>Sales Tax</u>	<u>Sales Tax to Revenues</u>
2016 (Unaudited)	4,480,716	750,676	16.8
2017	4,447,331	817,553	18.4
2018	4,850,941	957,756	19.7
2019	5,244,887	1,040,616	19.8
2020	4,823,838	962,200	19.9
2021 (Budget)	4,660,000	750,000	16.1

Note: General and highway fund only. The Town implemented budget reductions for the 2020 and 2021 fiscal year to proactively offset negative financial impacts for the COVID-19 pandemic.

Source: 2016 Annual Update Document (unaudited), Audited Financial Statements of the Town for 2017-2020, and the adopted budget of the Town for 2021. This table is not audited.

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.

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was to expire on June 15, 2020 unless extended; recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent (60%) vote of the total voting strength of such body, a local law (or resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 3,025,880	\$ 2,850,086	\$ 2,659,292	\$ 2,458,498	\$ 2,257,704
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>
Total Debt Outstanding	\$ 3,025,880	\$ 2,850,086	\$ 2,659,292	\$ 2,458,498	\$ 3,757,704

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town as of November 19, 2021:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2047	\$ 2,046,910
<u>Bond Anticipation Notes</u>		
Various Projects	December 17, 2021	<u>1,500,000</u> ⁽¹⁾
	Total Indebtedness	\$ 3,546,910

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$100,000 available funds of the Town.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of November 19, 2021:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,257,418,300
Debt Limit – 7% thereof	88,019,281

Inclusions: ⁽¹⁾

Bonds.....	\$ 2,046,910	
Bond Anticipation Notes.....	<u>1,500,000</u>	
Total Inclusions.....		<u>\$ 3,546,910</u>

Exclusions:

Appropriations ⁽²⁾	\$ 0	
Water Debt ⁽³⁾	<u>0</u>	
Total Exclusions.....		<u>\$ 0</u>

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 3,546,910</u>
Net Debt-Contracting Margin.....	<u>\$ 84,472,371</u>
The percent of debt contracting power exhausted is	4.03%

⁽¹⁾ Does not include capital leases issued for the purchase of equipment. See "Installment Purchase Contracts" herein.

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

⁽³⁾ Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Note: The issuance of the Notes will increase the net indebtedness of the Town by \$500,000.

Bonded Debt Service

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

Cash Flow Borrowings

The Town has not issued revenue anticipation notes or tax anticipation notes since 2001, and does not reasonably expect to issue such notes or budget or deficiency notes in the foreseeable future.

Estimate of Obligations to be Issued

Town does borrow money from time to time to finance routine equipment purchases and public improvements.

Other than noted above and the issuance of the Notes, the Town does not have any authorized and unissued capital projects, nor are any contemplated as of the date of this Official Statement.

Installment Purchase Contracts

The Town occasionally enters into Installment Purchase Contracts for the purchase of equipment. A schedule of future payments due on the Town’s Installment Purchase Contracts is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 48,808	\$ 4,248	\$ 53,056
2022	<u>50,891</u>	<u>2,168</u>	<u>53,059</u>
Total	\$ 99,699	\$ 6,416	\$ 106,115

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Dutchess	12/31/2019	\$ 153,040,000	\$ - ⁽²⁾	\$ 153,040,000	3.90%	\$ 5,968,560
School District:						
Arlington	6/30/2020	75,138,181	55,151,425 ⁽³⁾	19,986,756	22.73%	4,542,990
Pawling	6/30/2020	7,050,000	3,863,400 ⁽³⁾	3,186,600	2.31%	<u>73,610</u>
					Total:	<u>\$ 10,585,160</u>

⁽¹⁾ Bonds and bond anticipation notes outstanding as of the above listed dates, and are not adjusted to include subsequent bond or note sales, if any.

⁽²⁾ Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.

⁽³⁾ Estimated State Building aid.

Source: Official Statement for the County listed above and Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended 2020.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of November 19, 2021:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 3,546,910	\$ 246.54	0.28%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	14,132,070	982.28	1.11

(a) The 2019 estimated population of the Town is 14,387. (See "THE TOWN – Population Trends" herein.)

(b) The Town's full valuation of taxable real estate for 2021 is \$1,271,325,341. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is \$10,585,160. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such County 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 enacted at the 1975 Extraordinary Session of the State legislature, described below, 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 Town 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 Town of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

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

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

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

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

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

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

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

No Past Due Debt. No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness. The Town of Beekman (the “Town”) made a late interest payment due on February 1, 2019, with respect to the \$2,030,000 Public Improvement (Serial) Bonds, 2009 due to administrative oversight and a lack by DTC to provide wire instructions to new staff in the Finance Department. As soon as the Town was notified of the missed payment on February 13, 2019, the payment was made the same day.

MARKET AND RISK FACTORS

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

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

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, 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 several recent 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 County expenditures, thus placing strain on the Town’s financial condition. These factors may have an effect on the market price of the Notes.

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

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

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the Town without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the Town, could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” herein.

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 resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential

businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

- The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2021 in a timely manner. The 2020 Audit was dated as of June 29, 2021 and thus requiring it to be filed within 30 days of its completion date, however, the 2020 Audit was not filed to EMMA until August 3, 2021, along with a failure to file notice.
- The Town failed to provide notice of a June 16, 2020 Moody's Investors Service rating assignment of "Aa3" to the Town's outstanding general obligation bonds within 10 business days as required by its outstanding continuing disclosure undertaking agreements. The Town provided notice of the rating assignment and failure to file on July 16, 2020.
- The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2018 by the last business day of the succeeding fiscal year. The Town filed its audited financial statements for the fiscal year ending December 31, 2018 on March 6, 2020, along with a failure to file notice.
- The Town failed to provide notice of Moody's Investors Service withdraw of the Town's rating on February 5, 2018. The Town provided notice of the rating change and failure to file on January 17, 2019.
- The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2017 by the last business day of the succeeding fiscal year. The Town filed its audited financial statements for the fiscal year ending December 31, 2017 on March 6, 2020. The Town failed to file its Annual Financial Information and Operating Data (AFIOD) for the 2017 fiscal year by the last business day of the succeeding fiscal year. The Town filed its AFIOD and provided notice of its failure to file on January 17, 2019.
- The Town failed to provide notices of its failure to file its Audited Financial Statements for the Fiscal years ended December 31, 2017 and December 31, 2018 within the timeline stated in the Town's prior undertakings agreements. The Town provided notice of the abovementioned event on March 6, 2020.
- The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2016 by the last business day of the succeeding fiscal year. The Town filed a notice of its failure to provide its Audited Financial Statement for the 2016 fiscal year on January 10, 2018. The Town did not prepare audited financial statements for the 2016 fiscal year.
- The Town failed to file its AFIOD and Audited Financial Statements for the fiscal year ended December 31, 2015 by the required filing date. The Town provided notice of its failure to file on January 5, 2017. The Town filed its 2015 audited financial statements on November 18, 2020.

The Town hired a new accounting firm for the 2017 fiscal year and future fiscal years and has implemented comprehensive procedures to better comply with the Town's Rule 15c2-12 disclosure undertaking.

TAX MATTERS

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

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

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

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

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes is covered by the approving legal opinion of Bond Counsel. The proposed form of Bond Counsel’s opinion is attached hereto at “APPENDIX – E”.

LITIGATION

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

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

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

Moody's Investors Service, Inc. ("Moody's") has assigned its underlying rating of "Aa3" to the Town's outstanding bonds. The 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, Inc., 7 World Trade Center, 250 Greenwich St., New York, New York 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 may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

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

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

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

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

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

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

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

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

The Town contact information is as follows: Mary B. Covucci, Town Supervisor, Town of Beekman, 4 Main Street, Poughquag, New York 12570, Phone: (845) 724-5300 Email: supervisor@townofbeekmanny.us.

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

TOWN OF BEEKMAN

Dated: November 19, 2021

MARY B. COVUCCI
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending	<u>2016</u> (Unaudited)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 578,076	\$ 495,491	\$ 964,005	\$ 1,274,144	\$ 2,074,444
Accounts Receivable	315,238	357,187	411,913	232,658	208,094
Due From Other Governments	262,202	367,081	621,424	704,569	681,190
Due From Other Funds	242,544	342,953	188,288	300,945	128,481
Prepaid Expenditures	<u>55,539</u>	<u>96,979</u>	<u>3,110</u>	<u>21,110</u>	<u>18,000</u>
TOTAL ASSETS	<u>\$ 1,453,599</u>	<u>\$ 1,659,691</u>	<u>\$ 2,188,740</u>	<u>\$ 2,533,426</u>	<u>\$ 3,110,209</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 88,670	\$ 153,310	\$ 247,826	\$ 178,706	\$ 66,305
Accrued Expenses	-	16,620	17,886	33,391	39,187
Overpayments	-	18,673	16,500	1,326	-
Due to Other Governments	-	-	-	10,820	-
Due To Other Funds	-	79,619	9,747	55,000	32,442
Due To Fiduciary Funds	<u>-</u>	<u>-</u>	<u>179,803</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	\$ 88,670	\$ 268,222	\$ 471,762	\$ 279,243	\$ 137,934
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ 15,584	\$ 40,206	\$ 12,000	\$ -
<u>FUND EQUITY</u>					
Nonspendable	\$ 126,650	\$ 96,979	\$ 3,110	\$ 21,110	\$ 18,000
Restricted	440,664	-	-	-	630,640
Assigned	483,029	-	50,000	30,000	1,033,450
Unassigned	<u>672,785</u>	<u>1,278,906</u>	<u>1,623,662</u>	<u>2,191,073</u>	<u>1,290,185</u>
TOTAL FUND EQUITY	<u>\$ 1,723,128</u>	<u>\$ 1,375,885</u>	<u>\$ 1,676,772</u>	<u>\$ 2,242,183</u>	<u>\$ 2,972,275</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,811,798</u>	<u>\$ 1,659,691</u>	<u>\$ 2,188,740</u>	<u>\$ 2,533,426</u>	<u>\$ 3,110,209</u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending	<u>2016</u> (Unaudited)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 695,926	\$ 811,004	\$ 678,693	\$ 677,000	\$ 677,000
Other Tax Items	36,558	26,223	29,103	18,095	30,474
Non-Tax Items	899,585	1,033,251	1,161,369	1,244,517	1,164,249
Departmental Income	8,900	319,244	335,586	406,577	56,025
Intergovernmental Charges	306,302	9,900	-	-	-
Use Of Money And Property	395	1,113	251	1,870	1,572
Licenses and Permits	150,030	196,221	166,494	209,128	237,528
Fines and Forfeitures	45,000	15,363	12,907	16,643	17,628
Sale Of Property And Compensation For Loss	1,000	2,425	3,896	-	1,030
State and Federal Aid	323,160	335,978	383,715	416,233	532,413
Interfund Revenues	-	-	-	8,000	6,500
Miscellaneous	12,150	108,172	92,580	252,051	145,986
Total Revenues	<u>\$ 2,479,006</u>	<u>\$ 2,858,894</u>	<u>\$ 2,864,594</u>	<u>\$ 3,250,114</u>	<u>\$ 2,870,405</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 1,119,211	\$ 1,040,416	\$ 895,898	\$ 966,504	\$ 904,550
Public Safety	79,411	88,643	283,510	101,959	109,185
Health	2,000	1,058	1,962	1,954	2,000
Transportation	112,513	113,672	121,218	126,909	119,673
Economic Assistance and Opportunity	56,404	51,607	42,109	51,203	9,671
Culture and Recreation	525,556	529,350	451,023	536,665	323,889
Home and Community Services	38,500	58,997	37,508	34,882	32,197
Employee Benefits	691,649	708,316	544,549	487,670	459,864
Capital Outlay	-	-	-	-	-
Debt Service	251,762	170,462	185,930	233,574	163,386
Total Expenditures	<u>\$ 2,877,006</u>	<u>\$ 2,762,521</u>	<u>\$ 2,563,707</u>	<u>\$ 2,541,320</u>	<u>\$ 2,124,415</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (398,000)</u>	<u>\$ 96,373</u>	<u>\$ 300,887</u>	<u>\$ 708,794</u>	<u>\$ 745,990</u>
Other Financing Sources (Uses):					
Operating Transfers In	398,000	-	-	11,617	25,544
Operating Transfers Out	-	-	-	(155,000)	(41,442)
Total Other Financing	<u>\$ 398,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143,383)</u>	<u>\$ (15,898)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>96,373</u>	<u>300,887</u>	<u>565,411</u>	<u>730,092</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,579,395	1,579,395	1,375,885	1,676,772	2,242,183
Prior Period Adjustments (net)	-	(299,883)	-	-	-
Fund Balance - End of Year	<u>\$ 1,579,395</u>	<u>\$ 1,375,885</u>	<u>\$ 1,676,772</u>	<u>\$ 2,242,183</u>	<u>\$ 2,972,275</u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

HIGHWAY FUND

Balance Sheets

Fiscal Years Ending	<u>2016</u> (Unaudited)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 126,010	\$ 245,572	\$ 215,675	\$ 79,676	\$ 223,616
Receivables, Net	11,520	6,677	-	-	-
Due From Other Governments	-	-	-	-	-
Due From Other Funds	-	40,000	27,647	82,874	30,000
Prepaid Expenditures	11,779	3,441	-	93,748	22,000
	<u>11,779</u>	<u>3,441</u>	<u>-</u>	<u>93,748</u>	<u>22,000</u>
TOTAL ASSETS	<u>\$ 149,309</u>	<u>\$ 295,690</u>	<u>\$ 243,322</u>	<u>\$ 256,298</u>	<u>\$ 275,616</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 32,174	\$ 13,668	\$ 57,734	\$ 112,174	\$ 48,516
Accrued Expenses	15,837	19,790	16,170	25,305	40,032
Overpayments	-	108,044	125,730	-	-
Due To Other Funds	128,779	154,188	113,288	219,986	8,398
	<u>128,779</u>	<u>154,188</u>	<u>113,288</u>	<u>219,986</u>	<u>8,398</u>
TOTAL LIABILITIES	\$ 176,790	\$ 295,690	\$ 312,922	\$ 357,465	\$ 96,946
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND EQUITY</u>					
Nonspendable	\$ 11,779	\$ 3,441	\$ -	\$ 93,748	\$ 22,000
Restricted	-	-	-	-	36,360
Assigned	-	-	-	-	120,310
Unassigned	(39,260)	(3,441)	(69,600)	(194,915)	-
	<u>(39,260)</u>	<u>(3,441)</u>	<u>(69,600)</u>	<u>(194,915)</u>	<u>-</u>
TOTAL FUND EQUITY	<u>\$ (27,481)</u>	<u>\$ -</u>	<u>\$ (69,600)</u>	<u>\$ (101,167)</u>	<u>\$ 178,670</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 149,309</u>	<u>\$ 295,690</u>	<u>\$ 243,322</u>	<u>\$ 256,298</u>	<u>\$ 275,616</u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

HIGHWAY FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending	<u>2016</u> (Unaudited)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES					
Real Property Taxes	\$ 1,468,129	\$ 1,382,993	\$ 1,692,813	\$ 1,750,000	\$ 1,809,613
Intergovernmental/Grant Income	7,665	20,554	-	-	-
Use Of Money And Property	296	317	4,356	3,821	824
Licenses and Permits	-	-	-	-	-
Sale Of Property And Compensation For Loss	11,520	9,490	21,598	410	226
Interfund Revenues	144,035	164,933	165,013	-	-
State and Federal Aid	-	-	-	96,384	32,320
Miscellaneous	9,325	10,150	102,567	144,158	110,450
Total Revenues	<u>\$ 1,640,970</u>	<u>\$ 1,588,437</u>	<u>\$ 1,986,347</u>	<u>\$ 1,994,773</u>	<u>\$ 1,953,433</u>
EXPENDITURES					
Transportation	\$ 1,242,808	\$ 1,282,361	\$ 1,499,601	\$ 1,501,059	\$ 1,141,365
Employee Benefits	40,462	79,041	317,589	405,129	371,635
Capital Outlay	-	-	-	-	-
Debt Service	273,609	199,554	238,757	275,152	199,596
Total Expenditures	<u>\$ 1,556,879</u>	<u>\$ 1,560,956</u>	<u>\$ 2,055,947</u>	<u>\$ 2,181,340</u>	<u>\$ 1,712,596</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 84,091</u>	<u>\$ 27,481</u>	<u>\$ (69,600)</u>	<u>\$ (186,567)</u>	<u>\$ 240,837</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	155,000	39,000
Operating Transfers Out	-	-	-	-	-
Total Other Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,000</u>	<u>\$ 39,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>84,091</u>	<u>27,481</u>	<u>(69,600)</u>	<u>(31,567)</u>	<u>279,837</u>
FUND BALANCE					
Fund Balance - Beginning of Year	(111,572)	(27,481)	-	(69,600)	(101,167)
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u><u>\$ (27,481)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (69,600)</u></u>	<u><u>\$ (101,167)</u></u>	<u><u>\$ 178,670</u></u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

WATER AND SEWER FUNDS

Balance Sheets

Fiscal Years Ending	<u>2016</u> (Unaudited)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 350,692	\$ 310,112	\$ 200,893	\$ 379,654	\$ 386,872
Other Receivables	49,202	14,634	13,265	8,874	9,129
Due From Other Governments	-	44,435	42,830	31,776	24,530
Due From Other Funds	-	39,619	-	-	13,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 399,894</u>	<u>\$ 408,800</u>	<u>\$ 256,988</u>	<u>\$ 420,304</u>	<u>\$ 433,886</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 10,325	\$ 71,847	\$ 20,264	\$ 6,326	\$ 25,577
Due To Other Funds	113,765	113,765	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 124,090	\$ 185,612	\$ 20,264	\$ 6,326	\$ 25,577
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND EQUITY</u>					
Restricted	28,955	3,161	-	-	-
Assigned	246,849	220,027	236,724	413,978	408,309
Unassigned	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>\$ 275,804</u>	<u>\$ 223,188</u>	<u>\$ 236,724</u>	<u>\$ 413,978</u>	<u>\$ 408,309</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 399,894</u>	<u>\$ 408,800</u>	<u>\$ 256,988</u>	<u>\$ 420,304</u>	<u>\$ 433,886</u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

WATER AND SEWER FUNDS

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 25,794	\$ 25,794	\$ 25,794	\$ 25,794	\$ 13,400
Departmental Income	136,761	143,041	140,818	124,916	111,561
Sale Of Property And Compensation For Loss	-	-	-	-	-
Use Of Money And Property	341	200	1,140	1,784	760
State Aid	-	-	-	158,668	-
Miscellaneous	-	-	-	2,161	-
Total Revenues	<u>\$ 162,896</u>	<u>\$ 169,035</u>	<u>\$ 167,752</u>	<u>\$ 313,323</u>	<u>\$ 125,721</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 29,092	\$ -	\$ -	\$ -	\$ -
Home and Community Services	84,154	195,857	128,422	110,275	105,596
Debt Service	25,794	25,794	25,794	25,794	25,794
Total Expenditures	<u>\$ 139,040</u>	<u>\$ 221,651</u>	<u>\$ 154,216</u>	<u>\$ 136,069</u>	<u>\$ 131,390</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 23,856</u>	<u>\$ (52,616)</u>	<u>\$ 13,536</u>	<u>\$ 177,254</u>	<u>\$ (5,669)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>23,856</u>	<u>(52,616)</u>	<u>13,536</u>	<u>177,254</u>	<u>(5,669)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	(23,649)	275,804	223,188	236,724	413,978
Prior Period Adjustments (net)	275,597	-	-	-	-
Fund Balance - End of Year	<u>\$ 275,804</u>	<u>\$ 223,188</u>	<u>\$ 236,724</u>	<u>\$ 413,978</u>	<u>\$ 408,309</u>

Source: Audited Financial Statements of the Town except where otherwise noted. This Appendix is not itself audited.

TOWN GOVERNMENTAL FUNDS

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Year Ending	2020				
	General Fund	Highway Fund	Dover Ridge Water Fund	Dover Ridge Sewer Fund	Combined Totals
<u>REVENUES</u>					
Real Property Taxes	\$ 677,000	\$ 1,809,613	\$ -	\$ -	\$ 2,486,613
Other Tax Items	28,025	-	-	13,400	41,425
Non-Property Tax Items	890,000	-	-	-	890,000
Departmental Income	333,500	-	53,900	54,000	441,400
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	475	2,387	100	600	3,562
Sale of Property and Compensation for Loss	-	-	-	-	-
Licenses and Permits	167,000	-	-	-	167,000
Fines and Forfeitures	12,000	-	-	-	12,000
Miscellaneous	61,940	31,000	1,000	-	93,940
State Aid	330,060	117,000	-	-	447,060
Total Revenues	<u>\$ 2,500,000</u>	<u>\$ 1,960,000</u>	<u>\$ 55,000</u>	<u>\$ 68,000</u>	<u>\$ 4,583,000</u>
<u>EXPENDITURES</u>					
General Government Support	971,000	\$ 1,500	\$ -	\$ -	\$ 972,500
Public Safety	119,000	-	-	-	119,000
Health	2,000	-	-	-	2,000
Transportation	132,000	1,388,500	-	-	1,520,500
Economic Assistance and Opportunity	45,000	-	-	-	45,000
Culture and Recreation	493,000	-	-	-	493,000
Home and Community Services	21,000	-	55,000	64,206	140,206
Employee Benefits	549,000	420,000	-	-	969,000
Debt Service	168,000	200,000	-	25,794	393,794
Total Expenditures	<u>\$ 2,500,000</u>	<u>\$ 2,010,000</u>	<u>\$ 55,000</u>	<u>\$ 90,000</u>	<u>\$ 4,655,000</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ (22,000)</u>	<u>\$ (72,000)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	30,000	-	-	-
Operating Transfers Out	(30,000)	-	-	-	-
Total Other Financing	<u>\$ (30,000)</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(30,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(22,000)</u>	<u>-</u>
<u>APPROPRIATED FUND BALANCE</u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 20,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,000</u></u>	<u><u>\$ 72,000</u></u>

Source: 2020 Adopted Budget of the Town. This Appendix is not itself audited.

TOWN GOVERNMENTAL FUNDS

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Year Ending	2021				
	General Fund	Highway Fund	Dover Ridge Water Fund	Dover Ridge Sewer Fund	Combined Totals
REVENUES					
Real Property Taxes	\$ 677,000	\$ 1,840,225	\$ -	\$ -	\$ 2,517,225
Other Tax Items	18,025	-	-	14,000	32,025
Non-Property Tax Items	950,000	-	-	-	950,000
Departmental Income	340,431	-	57,800	-	398,231
Intergovernmental Charges	8,000	-	-	58,000	66,000
Use of Money & Property	1,882	308	200	794	3,184
Sale of Property and Compensation for Loss	-	-	-	-	-
Licenses and Permits	180,120	-	-	-	180,120
Fines and Forfeitures	15,000	-	-	-	15,000
Miscellaneous	53,782	42,107	-	-	95,889
State Aid	415,760	117,360	-	-	533,120
Total Revenues	<u>\$ 2,660,000</u>	<u>\$ 2,000,000</u>	<u>\$ 58,000</u>	<u>\$ 72,794</u>	<u>\$ 4,790,794</u>
EXPENDITURES					
General Government Support	1,012,002	\$ -	\$ 63,000	\$ 58,000	\$ 1,133,002
Public Safety	110,000	-	-	-	110,000
Health	2,000	-	-	-	2,000
Transportation	127,492	1,352,360	-	-	1,479,852
Economic Assistance and Opportunity	50,000	-	-	-	50,000
Culture and Recreation	593,000	-	-	-	593,000
Home and Community Services	36,000	-	-	-	36,000
Employee Benefits	596,000	469,500	-	-	1,065,500
Debt Service	163,506	198,140	-	25,794	387,440
Total Expenditures	<u>\$ 2,690,000</u>	<u>\$ 2,020,000</u>	<u>\$ 63,000</u>	<u>\$ 83,794</u>	<u>\$ 4,856,794</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (30,000)</u>	<u>\$ (20,000)</u>	<u>\$ (5,000)</u>	<u>\$ (11,000)</u>	<u>\$ (66,000)</u>
Other Financing Sources (Uses):					
Operating Transfers In		10,000	-	-	-
Operating Transfers Out	(10,000)	-	-	-	-
Total Other Financing	<u>\$ (10,000)</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(40,000)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>(11,000)</u>	<u>-</u>
APPROPRIATED FUND BALANCE	<u><u>\$ 40,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 11,000</u></u>	<u><u>\$ 66,000</u></u>

Source: 2021 Adopted Budget of the Town. This Appendix is not itself audited.

APPENDIX - B
Town of Beekman

BONDED DEBT SERVICE

<u>Fiscal Year Ending December 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 210,794	\$ 71,813	\$ 282,607
2022	220,794	64,849	285,643
2023	225,794	57,601	283,395
2024	230,794	50,154	280,948
2025	240,794	41,823	282,617
2026	250,794	33,099	283,893
2027	255,794	24,066	279,860
2028	265,794	14,725	280,519
2029	175,794	6,750	182,544
2030	25,794	-	25,794
2031	25,794	-	25,794
2032	25,794	-	25,794
2033	25,794	-	25,794
2034	25,794	-	25,794
2035	25,794	-	25,794
2036	25,794	-	25,794
TOTALS	\$ 2,257,704	\$ 364,880	\$ 2,622,584

MATERIAL EVENT NOTICES

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

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

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

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

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

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

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

TOWN OF BEEKMAN

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020

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

TOWN OF BEEKMAN, NEW YORK

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INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor
Town of Beekman
Poughquag, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Beekman, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Beekman, New York as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in note 1(c) to the financial statements, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84 - "Fiduciary Activities," during the year ended December 31, 2020. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the additional information on pages 37 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 of Beekman, New York's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated May 12, 2021, on our consideration of the Town of Beekman, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
May 12, 2021

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis
December 31, 2020

The accompanying management discussion and analysis of the Town of Beekman'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, 2020. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements.

Financial Highlights

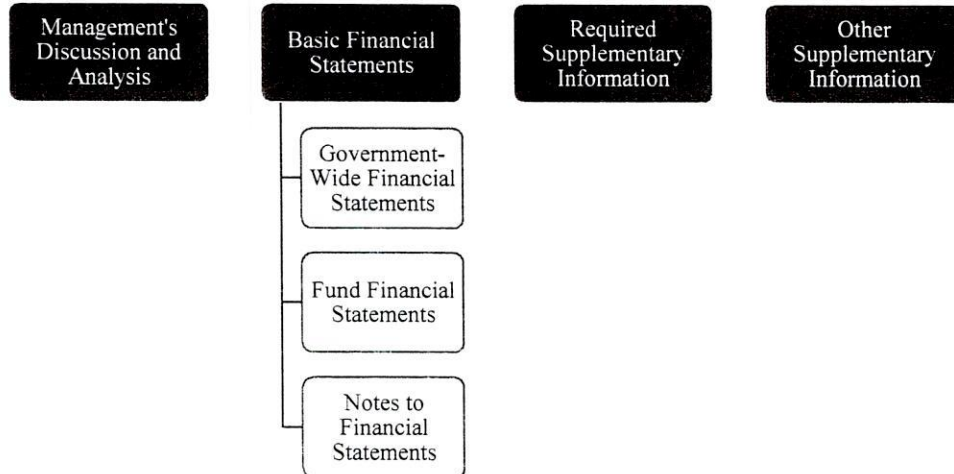
- The assets and deferred outflows of resources of the Town of Beekman exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,398,885.
- The government's total net position increased by \$875,734 during 2020. The increase was mainly generated by the very positive results of the general fund as described below.
- As of the close of the current fiscal year, the Town of Beekman's governmental funds reported a combined ending fund balance of \$3,274,125 an increase of \$558,803 in comparison with the prior year. The increase was mainly generated by general fund sales tax and franchise fees revenues being \$274,249 greater than the final budget amounts as well as mortgage tax exceeding budget by \$155,353.
- At the end of the current fiscal year, fund balance for the general fund was \$2,972,275, an increase of \$730,092 from 2019 due to revenue exceeding budget by \$543,405 and expenses below budget of \$211,143.
- Management has been restructuring the Town organization improving business efficiency and public services while streamlining and controlling costs.
- The Town adopted the provisions of Governmental Accounting Standard Board Statement No. 84 - "Fiduciary Activities," as discussed in note 1(c) to the financial statements.
- The Town initiated 3 capital projects for Town Hall improvements, highway improvements and water plant upgrades totaling \$1,512,000.
- The Highway Fund recovered its 2019 deficit during 2020.
- During 2020, the Town created legally defined reserve funds in the general fund for specific purposes and received an Aa3 bond rating from Moody's Investors Service.
- During 2020, the Town assigned \$1,000,000 of the general fund balance to be used for future capital projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of four components; 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary fund statements and 4) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

Required Components of Annual Financial Report



The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the Town's financial status.

The next statements are fund financial statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

The governmental activities include the Town's basic services such as general government, transportation, parks and recreation, public safety, water and sewer, and home and community services. Property tax, sales tax, charges for services and State aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town are classified in two categories: governmental funds and fiduciary funds.

- Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.
- Fiduciary Funds - The Town acts in an agency capacity for assets that are ultimately transferred to others, such as guarantee and bid deposits. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

The Town adopts an annual budget for certain funds as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary schedules demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedules use the budgetary basis of accounting and are presented using the same format, language and classifications as the legal budget document. The schedules show four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

Notes to the Financial Statements

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

Government-wide Financial Analysis
Town's Net Position

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets	\$ 5,058,390	3,095,370
Capital assets	<u>29,886,586</u>	<u>30,034,536</u>
Total assets	<u>34,944,976</u>	<u>33,129,906</u>
Deferred outflows of resources	<u>713,502</u>	<u>366,682</u>
Liabilities:		
Current liabilities	2,060,185	692,154
Long-term liabilities	<u>4,071,907</u>	<u>4,144,299</u>
Total liabilities	<u>6,132,092</u>	<u>4,836,453</u>
Deferred inflows of resources	<u>127,501</u>	<u>136,984</u>
Net position:		
Net investment in capital assets	26,029,183	27,375,529
Restricted	667,000	-
Unrestricted	<u>2,702,702</u>	<u>1,147,622</u>
Total net position	<u>\$ 29,398,885</u>	<u>28,523,151</u>

Government-wide Financial Analysis
Town's Change in Net Position

	<u>2020</u>	Percentage of <u>total revenue</u>	<u>2019</u>	Percentage of <u>total revenue</u>
Revenue:				
Program revenue:				
Charges for services	\$ 542,775	10.7%	\$ 762,264	13.7%
Operating grants	642,863	12.7%	719,059	12.9%
Capital grants	12,000	0.2%	-	0.0%
General revenue:				
Real property taxes	2,500,013	49.2%	2,452,794	44.1%
Real property tax items	30,474	0.6%	18,095	0.3%
Non-property tax items	1,164,249	22.9%	1,244,517	22.4%
Use of money and property	3,453	0.1%	8,719	0.2%
Sale of property and compensation for loss	1,256	0.1%	410	0.1%
Miscellaneous	<u>178,306</u>	<u>3.5%</u>	<u>350,596</u>	<u>6.3%</u>
Total revenue	<u>5,075,389</u>	<u>100.0%</u>	<u>5,556,454</u>	<u>100.0%</u>

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

	<u>2020</u>	<u>Percentage of total expenses</u>	<u>2019</u>	<u>Percentage of total expenses</u>
Expenses:				
General government support	\$ 1,101,336	26.2%	\$ 1,163,519	24.2%
Public safety	144,185	3.4%	132,589	2.8%
Health	2,986	0.1%	2,882	0.1%
Transportation	2,206,130	52.6%	2,405,601	50.0%
Economic assistance and opportunity	12,764	0.3%	53,103	1.1%
Culture and recreation	529,391	12.6%	798,726	16.6%
Home and community services	114,359	2.7%	145,937	3.0%
Interest on long-term debt	<u>88,504</u>	<u>2.1%</u>	<u>106,924</u>	<u>2.2%</u>
Total expenses	<u>4,199,655</u>	<u>100.0%</u>	<u>4,809,281</u>	<u>100.0%</u>
Change in net position	<u>\$ 875,734</u>		<u>\$ 747,173</u>	

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1,290,185. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 59.6% of total general fund expenditures and other financing uses.

At December 31, 2020, the governmental funds of the Town reported a combined fund balance of \$3,274,125, a 20.6% increase of \$558,803 from 2019. Included in this change in fund balance are decreases in the capital projects, sewer and special recreation funds and increases in the general, highway and water funds.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Special budget reductions were made to address COVID's impact.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2020 totaled \$29,886,586 (net of accumulated depreciation). These assets include land, construction in progress, buildings, improvements, machinery and equipment, roads and infrastructure and vehicles.

Debt: As of December 31, 2020, the Town had serial bonds outstanding of \$2,257,704. The debt is backed by the full faith and credit of the Town. The Town's total debt decreased by \$301,604 during the 2020 fiscal year.

For more detailed information on capital assets and long-term liabilities, see notes 5 and 8 to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year December 31, 2021 budgeted tax rates. The 2021 budget includes a property tax levy of \$2,531,225 which is 1.2% higher than the 2020 tax levy.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The Town has implemented a financial plan for COVID's impact during 2020.

Requests For Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Supervisor's office at the Town of Beekman, 4 Main Street, Poughquag, New York.

TOWN OF BEEKMAN, NEW YORK
Statement of Net Position
Governmental Activities
December 31, 2020

	Governmental Activities
<u>Assets</u>	
Current assets:	
Cash - unrestricted	\$ 3,307,314
Cash - restricted	667,000
Petty cash	1,100
Accounts receivable	217,223
Due from other governments	825,753
Prepaid expenses	40,000
Total current assets	<u>5,058,390</u>
Capital assets not being depreciated	2,595,306
Capital assets being depreciated, net	27,291,280
Total capital assets	<u>29,886,586</u>
Total assets	<u>34,944,976</u>
<u>Deferred Outflows of Resources</u>	
Pension	<u>713,502</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	160,784
Accrued expenses	79,219
Retainage payable	31,288
Due to fiduciary funds	5,461
Bond anticipation note	1,500,000
Accrued interest	23,831
Bonds payable	210,794
Capital leases	48,808
Total current liabilities	<u>2,060,185</u>
Noncurrent liabilities:	
Bonds payable	2,046,910
Capital leases	50,891
Compensated absences	113,360
Net pension liability - proportionate share	846,920
Total OPEB liability	1,013,826
Total noncurrent liabilities	<u>4,071,907</u>
Total liabilities	<u>6,132,092</u>
<u>Deferred Inflows of Resources</u>	
Unearned revenue	7,513
Pension	119,988
Total deferred inflows of resources	<u>127,501</u>
<u>Net Position</u>	
Net investment in capital assets	26,029,183
Restricted	667,000
Unrestricted	2,702,702
Total net position	<u>\$ 29,398,885</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Activities
Governmental Activities
Year ended December 31, 2020

					Net (Expense)
					Revenue and
					Change in
					Net Position
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Capital</u>	<u>Governmental</u>
		<u>Charges for Operating</u>	<u>Grants</u>		
		<u>Services</u>	<u>Grants</u>	<u>Grants</u>	<u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$1,101,336	245,043	528,060	12,000	(316,233)
Public safety	144,185	25,078	670	-	(118,437)
Health	2,986	3,982	-	-	996
Transportation	2,206,130	-	110,450	-	(2,095,680)
Economic assistance and opportunity	12,764	-	-	-	(12,764)
Culture and recreation	529,391	23,440	3,683	-	(502,268)
Home and community services	114,359	245,232	-	-	130,873
Interest on long-term debt	88,504	-	-	-	(88,504)
Total governmental activities	<u>\$4,199,655</u>	<u>542,775</u>	<u>642,863</u>	<u>12,000</u>	<u>(3,002,017)</u>
General revenue:					
Real property taxes					2,500,013
Real property tax items					30,474
Non-property tax items					1,164,249
Use of money and property					3,453
Sale of property and compensation for loss					1,256
Miscellaneous					178,306
Total general revenue					<u>3,877,751</u>
Change in net position					875,734
Net position at beginning of year					<u>28,523,151</u>
Net position at end of year					<u>\$29,398,885</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2020

	General	Highway	Capital	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash - unrestricted	\$ 1,442,704	187,256	1,127,415	549,939	3,307,314
Cash - restricted	630,640	36,360	-	-	667,000
Petty cash	1,100	-	-	-	1,100
Accounts receivable	208,094	-	-	9,129	217,223
Due from other governments	681,190	-	120,033	24,530	825,753
Due from other funds	128,481	30,000	2,442	13,355	174,278
Prepaid expenditures	18,000	22,000	-	-	40,000
Total assets	<u>\$ 3,110,209</u>	<u>275,616</u>	<u>1,249,890</u>	<u>596,953</u>	<u>5,232,668</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	66,305	48,516	20,386	25,577	160,784
Accrued expenses	39,187	40,032	-	-	79,219
Retainage payable	-	-	31,288	-	31,288
Due to other funds	32,442	8,398	113,355	25,544	179,739
Bond anticipation note	-	-	1,500,000	-	1,500,000
Total liabilities	<u>137,934</u>	<u>96,946</u>	<u>1,665,029</u>	<u>51,121</u>	<u>1,951,030</u>
Deferred inflows of resources - unearned revenue	-	-	7,513	-	7,513
Fund balances:					
Nonspendable	18,000	22,000	-	-	40,000
Restricted:					
Retirement contributions	377,000	-	-	-	377,000
Employee benefit accrued liability	103,640	36,360	-	-	140,000
Insurance, judgements and claims	50,000	-	-	-	50,000
Repairs	100,000	-	-	-	100,000
Assigned:					
Subsequent year's budget	33,450	-	-	-	33,450
Capital	1,000,000	-	-	-	1,000,000
Remaining fund balance	-	120,310	-	545,832	666,142
Unassigned	<u>1,290,185</u>	<u>-</u>	<u>(422,652)</u>	<u>-</u>	<u>867,533</u>
Total fund balances	<u>2,972,275</u>	<u>178,670</u>	<u>(422,652)</u>	<u>545,832</u>	<u>3,274,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,110,209</u>	<u>275,616</u>	<u>1,249,890</u>	<u>596,953</u>	<u>5,232,668</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
December 31, 2020

Total governmental fund balances	\$ 3,274,125
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Land	\$ 1,963,630	
Construction in progress	631,676	
Depreciable capital assets, net of accumulated depreciation	27,291,280	29,886,586

Some deferred inflows or resources and outflows of resources are not reported in the governmental funds. These consist of the following:

Deferred outflows of resources - pension	713,502
Deferred inflows of resources - pension	(119,988)

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

Bonds payable	(2,257,704)	
Capital leases	(99,699)	
Accrued interest	(23,831)	
Total OPEB liability	(1,013,826)	
Compensated absences	(113,360)	
Net pension liability - proportionate share	(846,920)	(4,355,340)

Net position of governmental activities	\$ 29,398,885
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See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
Year ended December 31, 2020

	General	Highway	Capital	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:					
Real property taxes	\$ 677,000	1,809,613	-	13,400	2,500,013
Real property tax items	30,474	-	-	-	30,474
Non-property tax items	1,164,249	-	-	-	1,164,249
Departmental income	56,025	-	-	111,561	167,586
Intergovernmental charges	-	-	120,033	-	120,033
Use of money and property	1,572	824	-	1,057	3,453
Licenses and permits	237,528	-	-	-	237,528
Fines and forfeitures	17,628	-	-	-	17,628
Sale of property and compensation for loss	1,030	226	-	-	1,256
Interfund revenue	6,500	-	-	-	6,500
Miscellaneous	145,986	32,320	-	-	178,306
State aid	532,413	110,450	12,000	-	654,863
Total revenue	<u>2,870,405</u>	<u>1,953,433</u>	<u>132,033</u>	<u>126,018</u>	<u>5,081,889</u>
Expenditures:					
General government support	904,550	-	167,616	-	1,072,166
Public safety	109,185	-	-	-	109,185
Health	2,000	-	-	-	2,000
Transportation	119,673	1,141,365	7,238	-	1,268,276
Economic assistance and opportunity	9,671	-	-	-	9,671
Culture and recreation	323,889	-	-	-	323,889
Home and community services	32,197	-	379,831	105,596	517,624
Employee benefits	459,864	371,635	-	-	831,499
Debt service - principal	106,875	168,935	-	25,794	301,604
Debt service - interest	56,511	30,661	-	-	87,172
Total expenditures	<u>2,124,415</u>	<u>1,712,596</u>	<u>554,685</u>	<u>131,390</u>	<u>4,523,086</u>
Excess (deficiency) of revenue over expenditures	745,990	240,837	(422,652)	(5,372)	558,803
Other financing sources (uses):					
Transfers in	25,544	39,000	2,442	-	66,986
Transfers out	(41,442)	-	-	(25,544)	(66,986)
Total other financing sources (uses)	<u>(15,898)</u>	<u>39,000</u>	<u>2,442</u>	<u>(25,544)</u>	<u>-</u>
Change in fund balances	730,092	279,837	(420,210)	(30,916)	558,803
Fund balances (deficit) at beginning of year	<u>2,242,183</u>	<u>(101,167)</u>	<u>(2,442)</u>	<u>576,748</u>	<u>2,715,322</u>
Fund balances (deficit) at end of year	<u>\$2,972,275</u>	<u>178,670</u>	<u>(422,652)</u>	<u>545,832</u>	<u>3,274,125</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year ended December 31, 2020

Net change in fund balances - total governmental funds \$ 558,803

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets changed in the current period.

Capital outlay	\$ 715,822	
Depreciation expense	<u>(863,772)</u>	(147,950)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds payable	200,794	
Capital leases	<u>100,810</u>	301,604

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Total OPEB liability	256,815	
Accrued interest	(1,332)	
Net pension liability - proportionate share	(470,023)	
Compensated absences	<u>26,001</u>	(188,539)

Certain items related to changes in long-term liabilities are reflected in the statement of net position.

Deferred outflows of resources - pensions	346,820	
Deferred inflows of resources - pensions	<u>4,996</u>	351,816

		<u><u>\$ 875,734</u></u>
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See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial</u>
Assets:	
Cash - unrestricted	\$ 109,413
Due from other funds	<u>5,461</u>
Total assets	<u>\$ 114,874</u>
Liabilities - accounts payable	<u>15,879</u>
Net position - restricted:	
Driveway bonds	44,300
Developer escrows	<u>54,695</u>
Total net position - restricted	<u><u>\$ 98,995</u></u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Changes in Net Position
Fiduciary Fund
Year ended December 31, 2020

	<u>Custodial</u>
Additions:	
Property taxes collected	\$6,590,934
Driveway bonds	18,300
Developer escrows	<u>8,895</u>
Total additions	<u>6,618,129</u>
Deductions:	
Payment of property taxes	6,590,934
Driveway bonds	<u>21,550</u>
Total deductions	<u>6,612,484</u>
Change in fiduciary net position	5,645
Fiduciary net position at beginning of year, as previously stated	-
Cumulative effect of change in accounting principle (note 12)	<u>93,350</u>
Fiduciary net position at beginning of year, as restated	<u>93,350</u>
Fiduciary net position at end of year	<u>\$ 98,995</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Town of Beekman, New York (the Town), established in 1855, is governed by the Code of the Town and other general laws of the State of New York (the State) and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and chief fiscal officer.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The notes to the financial statements are an integral part of the statements and are intended to be read with them. As of December 31, 2020, the Town has no component units.

(b) Government-Wide Financial Statements

The government-wide financial statements (the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Highway Fund is used to account for financial resources necessary to repair and maintain the roads within the Town.
- The Capital Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following nonmajor funds:

- The Special Recreation Fund is used to account for funds received from developers that will be used for special community projects within the Town.
- The Sewer Fund is used to account for financial resources to be used for operation and upkeep of the sewer district within the Town.
- The Water Fund is used to account for financial resources to be used for operation and upkeep of the water district within the Town.

Fiduciary Funds are used to report assets which are held in a custodial capacity for others and are, therefore, not available to support Town programs.

During the year ended December 31, 2020, the Town adopted provisions of GASB Statement No. 84 - "Fiduciary Activities." The primary objective of this Statement is to improve guidance regarding the indemnification of fiduciary activities for accounting and financial reporting purposes. See note 12 of the financial statements for the impact of the implementation on the financial statements.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingencies. Estimates also affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(e) Property Taxes

Town real property taxes are levied annually on January 1st and become a lien on that date. Taxes are collected during the period January 1st to March 31st. Uncollected real property taxes are subsequently enforced by the County of Dutchess, New York (the County), in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1st.

(f) Budgetary Data

The Town's budget policies are as follows:

- (1) No later than October 5th, the budget officer submits a tentative budget to the Town Board for the calendar year commencing the following January 1st. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
 - (a) After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20th.
 - (b) All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.
- (2) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as 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.

(g) Cash

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

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Cash, Continued

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

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal Government and New York State. Underlying securities must have market value of at least the cost of the repurchase agreement.

(h) Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

(i) Internal Balances

Amounts due to and due from within the same fund type have been eliminated in the government-wide statements.

(j) Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures in the governmental funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

(k) Capital Assets

Capital assets are reported at historical costs. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Land Improvements	\$ 5,000	50 years
Buildings	5,000	50 years
Machinery, Furniture and Equipment	5,000	5 - 20 years
Vehicles	5,000	5 - 10 years
Water and Sewer Systems	5,000	20 - 50 years
Road Systems	5,000	15 - 20 years
Sidewalks	5,000	15 - 20 years

The Town includes long-lived improvements to roads, water and sewer systems as capital assets in the government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Vested Employee Benefits

Employees accrue vacation leave based on the number of years employed and the contract they are employed under, up to a maximum of 25 days per year. Upon separation from service, employees are paid for accumulated vacation time.

Employees accrue sick leave based on the contract they are employed under, at the rate of 5 or 10 days per year and may accumulate such credits up to a total of 10 days for non-union employees. Union employees are not eligible to accumulate sick leave credits. Employees who retire are allowed to use accumulated sick leave to be credited to the retirement benefits under the New York State Employees Retirement System.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid.

(m) Deferred Compensation

The Town, through the New York State Employees' Retirement System, offers their employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not administer the Plan.

(n) Postemployment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town after 20 years of service. The health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

(o) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension 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. The second item is the Town's contributions to the pension system subsequent to the measurement date.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

Deferred inflows of resources reflects an increase in net position that applies to future periods. The Town will not recognize the related revenues until a future event occurs. The Town has two types of items that qualify for reporting in this category. The first item is related to pensions reported in the Town's statement of net position, and represents the change in the proportion between the Town's contributions and its proportionate share of contributions. The second item is advances which is related to funds received by the Town that will be earned in a future period.

(p) Equity Classification

(1) Government-wide Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted Net Position - consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

(2) Fund Financial Statements

The Town has implemented GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions." The purpose of this accounting standard is to provide fund balance categories and classification that will be more easily understood by users of financial statements and consistently applied in fund balance reporting.

This standard sets forth hierarchical fund balance classifications that are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description of the five fund balance classifications:

- Nonspendable - Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.
- Restricted - Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Equity Classification, Continued

(2) Fund Financial Statements, Continued

- Committed - Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.
- Assigned - Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund and, in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual amount of fund balance in the general fund. In funds other than the general fund, this should only be used to report a deficit balance. The capital projects fund has a deficit fund balance as of December 31, 2020.

(q) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

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

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

(b) Explanation of Differences between Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the statement of activities as incurred and principal payments are recorded as a reduction of liabilities in the statement of net position.

(3) Cash

The Town’s investment policies are governed by State statutes, as previously described in these notes. The depository bank places approved pledged securities for safekeeping and trust with the Town’s agent bank in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance.

At December 31, 2020, the carrying amount of the Town’s deposits was \$4,083,727 and the bank balance was \$4,384,420. The Town’s deposits at December 31, 2020, were entirely covered by \$500,000 of FDIC Insurance and the remaining covered by pledged collateral held by the Town’s agent bank in the Town’s name of \$3,884,420.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(4) Interfund Activity

Interfund receivables and payables as well as revenue and expenditures at December 31, 2020 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General	\$ 128,481	32,442	25,544	41,442
Highway	30,000	8,398	39,000	-
Capital	2,442	113,355	2,442	-
Water	13,355	-	-	-
Special recreation	-	25,544	-	25,544
Custodial	<u>5,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>179,739</u>	<u>179,739</u>	<u>66,986</u>	<u>66,986</u>

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,963,630	-	-	1,963,630
Construction in progress	<u>76,991</u>	<u>554,685</u>	<u>-</u>	<u>631,676</u>
Total capital assets, not being depreciated	<u>2,040,621</u>	<u>554,685</u>	<u>-</u>	<u>2,595,306</u>
Capital assets, being depreciated:				
Buildings and building improvements	3,349,115	24,442	-	3,373,557
Machinery and equipment	2,965,850	26,245	(38,690)	2,953,405
Roads and infrastructure	<u>40,862,800</u>	<u>110,450</u>	<u>-</u>	<u>40,973,250</u>
Total capital assets being depreciated	<u>47,177,765</u>	<u>161,137</u>	<u>(38,690)</u>	<u>47,300,212</u>
Accumulated depreciation:				
Buildings and building improvements	(2,108,950)	(109,992)	-	(2,218,942)
Machinery and equipment	(2,114,900)	(93,544)	38,690	(2,169,754)
Roads and infrastructure	<u>(14,960,000)</u>	<u>(660,236)</u>	<u>-</u>	<u>(15,620,236)</u>
Total accumulated depreciation	<u>(19,183,850)</u>	<u>(863,772)</u>	<u>38,690</u>	<u>(20,008,932)</u>
Total capital assets, being depreciated, net	<u>27,993,915</u>	<u>(702,635)</u>	<u>-</u>	<u>27,291,280</u>
Governmental activities capital assets, net	\$ <u>30,034,536</u>	<u>(147,950)</u>	<u>-</u>	<u>29,886,586</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(5) Capital Assets, Continued

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General governmental support	\$ 6,309
Transportation	756,770
Culture and recreation	99,913
Home and community services	<u>780</u>
Total depreciation expense	\$ <u>863,772</u>

(6) Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. The notes, or renewal thereof, may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. At December 31, 2020, the Town had \$1,500,000 of BANs outstanding. The BAN was issued on December 17, 2020 and is to mature on December 17, 2021 with a stated interest rate of 1.00%.

(7) Pensions

(a) Employees' Retirement System

The Town participates in the New York State and Local Retirement System (the 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 (the Fund), which was established to hold all net position and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The GLIP is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pensions, Continued

(a) Employees' Retirement System, Continued

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

Measurement date	March 31, 2020
Valuation date	April 1, 2019
Net pension liability	\$846,920
Town's proportion of the Plan's net pension liability	0.0031983%
Change in proportionate share from prior year	(0.0021211)

For the year ended December 31, 2020, the Town's recognized pension expense of \$291,520 in the statement of activities. At December 31, 2020, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,845	-
Changes of assumptions	17,053	14,725
Net difference between projected and actual investment earnings on pension plan investments	434,172	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	90,542	105,263
Town's contributions subsequent to the measurement date	121,890	-
Total	\$ <u>713,502</u>	<u>119,988</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pensions, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Town contributions subsequent to the March 31, 2020 measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending</u>	
2021	\$ 88,508
2022	122,494
2023	153,818
2024	106,804
Thereafter	<u>-</u>
	\$ <u>471,624</u>

(c) Actuarial Assumptions

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

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies (1)	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation - indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, 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 (5.8%) or 1-percentage point higher (7.8%) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
Employer's proportionate share of the net pension liability	\$ <u>(1,554,337)</u>	<u>(846,920)</u>	<u>(195,386)</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Measurement date	3/31/2020
Employers' total pension liability	\$ (194,596)
Plan fiduciary net position	<u>168,115</u>
Employers' net pension liability	\$ <u>(26,481)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	86.39%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021 based on paid employee wages multiplied by the employer's contribution rate, by tier. The retirement contribution paid to the System for the year ended December 31, 2020 was \$157,957.

(8) Long-Term Liabilities

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

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

	Balance at January 1, <u>2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance at December 31, <u>2020</u>	Amounts due within <u>one year</u>
Governmental Activities:					
Serial bonds	\$ 2,458,498	-	200,794	2,257,704	210,794
Capital leases	200,509	-	100,810	99,699	48,808
Compensated absences	139,361	-	26,001	113,360	-
Net pension liability - proportionate share - ERS	376,897	470,023	-	846,920	-
Total OPEB liability	<u>1,270,641</u>	<u>-</u>	<u>256,815</u>	<u>1,013,826</u>	<u>-</u>
Total long-term liabilities	\$ <u>4,445,906</u>	<u>470,023</u>	<u>584,420</u>	<u>4,331,509</u>	<u>259,602</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the statement of net position.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(8) Long-Term Liabilities, Continued

The following is a summary of the maturity of serial bond indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 210,794	71,813	282,607
2022	220,794	64,849	285,643
2023	225,794	57,601	283,395
2024	230,794	50,154	280,948
2025	240,794	41,823	282,617
2026-2030	973,970	78,640	1,052,610
2031-2035	128,970	-	128,970
2036	<u>25,794</u>	<u>-</u>	<u>25,794</u>
Total	\$ <u>2,257,704</u>	<u>364,880</u>	<u>2,622,584</u>

The following is a summary of the maturity of capital lease indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 48,808	4,248	53,056
2022	<u>50,891</u>	<u>2,168</u>	<u>53,059</u>
Total	\$ <u>99,699</u>	<u>6,416</u>	<u>106,115</u>

Interest on long-term debt for the year ended December 31, 2020 was:

Interest paid	\$ 87,172
Less: Interest accrued - prior year	(22,499)
Plus: Interest accrued - current year	<u>23,831</u>
Interest expense	\$ <u>88,504</u>

(9) Other Postemployment Benefits

(a) Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements.

The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town Board. The Town Board has negotiated several collective bargaining agreements, which include obligations of participants and the Town. The required contribution is based on projected pay-as-you-go financing requirements.

The Town assigns the authority to establish and amend benefit provisions to the Town Board for non-bargaining unit employees. The OPEB Plan does not issue a stand-alone financial report.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(9) Other Postemployment Benefits, Continued

(b) Employees covered by benefit terms

At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	18
Current retirees	<u>5</u>
	<u>23</u>

(c) Total OPEB Liability

The Town's total OPEB liability of \$1,013,826 at December 31, 2020 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that same date using the alternative measurement method.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary scale	2.0%
Discount rate	2.4%
Healthcare cost trend rates	4.9%, decreasing to an ultimate rate of 4.3%
Mortality rates were based on the Pub-2010 Public Retirement Plus Mortality Tables with mortality improvement projected for 10 years.	

(e) Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2020	\$ <u>1,270,641</u>
Changes for the year:	
Service cost	33,352
Interest on total OPEB liability	35,408
Economic/demographic gains or losses	(337,245)
Changes in assumptions or inputs	35,368
Benefit payments	<u>(23,698)</u>
Total changes	<u>(256,815)</u>
Total OPEB liability as of December 31, 2020	\$ <u>1,013,826</u>

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.4%) or 1-percentage-point higher (3.4%) than the current discount rate:

	1% Decrease (1.4%)	Current Discount Rate (2.4%)	1% Increase (3.4%)
Total OPEB liability	\$ <u>(1,129,360)</u>	<u>(1,013,826)</u>	<u>(914,796)</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(9) Other Postemployment Benefits, Continued

(g) Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ (911,686)	(1,013,826)	(1,132,028)

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized an OPEB negative expense of \$(233,117). At December 31, 2020, the Town did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to the alternative method. Additionally, since the measurement date was the same as the Town's fiscal year, there are no contributions subsequent to the measurement date to report.

(10) Contingencies

(a) Grant Funding

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

(b) Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable. The Town's management does not believe any such refunds would be material.

(c) Judgments and Claims

There are claims against the Town are presently pending for other matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town. In addition there are also cases where the Town is the plaintiff. If any amounts are awarded as a result it will be recorded at that time. The Town has a reserve in the General Fund of \$50,000 to cover any claim payments.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(10) Contingencies, Continued

(d) Remedies for Default

Upon default of the payment of principal or interest on the serial bonds or bond anticipation notes of the Town, the bondholders have the right to litigate.

Upon the default of the payment of principal or interest of capital leases of the Town, the lessor may declare that all amounts eligible or actually appropriated for rental payments to be immediately due and payable. The equipment must also be returned to the lessor.

(e) Receiver of Taxes

In 2021 the Town's receiver of taxes was arrested for theft of real property taxes. The Town's 2020 financial statement amounts were not effected by this theft. At this point, it is unclear if the Town or its bonding insurance will be liable for repayment to the respective taxpayers.

(f) COVID-19

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The Town has implemented a financial plan for COVID's impact during 2020.

(11) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required.

The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(12) Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2020, the Town implemented GASB Statement No. 84 - "Fiduciary Activities." The implementation of this Statement resulted in the statement of changes in fiduciary net position as a new statement to the basic financial statements as well as reporting certain liabilities as fiduciary net position. The Town's fiduciary net position at December 31, 2019 has been restated as follows:

Fiduciary Funds:

Net position at beginning of year, as previously stated	\$ -
GASB Statement No. 84 implementation - custodial funds	<u>93,350</u>
Net position at beginning of year, as restated	\$ <u>93,350</u>

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Real property taxes	\$ 677,000	677,000	677,000	-
Real property tax items	28,025	18,025	30,474	12,449
Non-property tax items	890,000	890,000	1,164,249	274,249
Departmental income	333,500	114,500	56,025	(58,475)
Use of money and property	475	1,475	1,572	97
Licenses and permits	167,000	172,000	237,528	65,528
Fines and forfeitures	12,000	15,000	17,628	2,628
Sale of property and compensation for loss	-	-	1,030	1,030
Interfund revenue	4,000	4,000	6,500	2,500
Miscellaneous	57,940	57,940	145,986	88,046
State aid	330,060	377,060	532,413	155,353
Total revenue	<u>2,500,000</u>	<u>2,327,000</u>	<u>2,870,405</u>	<u>543,405</u>
Expenditures:				
General government support	971,000	985,045	904,550	80,495
Public safety	119,000	112,426	109,185	3,241
Health	2,000	2,000	2,000	-
Transportation	132,000	135,000	119,673	15,327
Economic assistance and opportunity	45,000	18,000	9,671	8,329
Culture and recreation	493,000	381,769	323,889	57,880
Home and community services	21,000	35,000	32,197	2,803
Employee benefits	549,000	498,318	459,864	38,454
Debt service - principal	106,875	106,875	106,875	-
Debt service - interest	61,125	61,125	56,511	4,614
Total expenditures	<u>2,500,000</u>	<u>2,335,558</u>	<u>2,124,415</u>	<u>211,143</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(8,558)</u>	<u>745,990</u>	<u>754,548</u>
Other financing sources (uses):				
Transfers in	-	40,000	25,544	(14,456)
Transfers out	<u>(30,000)</u>	<u>(41,442)</u>	<u>(41,442)</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(1,442)</u>	<u>(15,898)</u>	<u>(14,456)</u>
Change in fund balance	<u>\$ (30,000)</u>	<u>(10,000)</u>	<u>730,092</u>	<u>740,092</u>
Fund balance at beginning of year			<u>2,242,183</u>	
Fund balance at end of year			<u>\$2,972,275</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - Highway Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Real property taxes	\$ 1,809,613	1,809,613	1,809,613	-
Use of money and property	2,387	1,961	824	(1,137)
Sale of property and compensation for loss	-	93	226	133
Miscellaneous	31,000	32,500	32,320	(180)
State aid	<u>117,000</u>	<u>185,936</u>	<u>110,450</u>	<u>(75,486)</u>
Total revenue	<u>1,960,000</u>	<u>2,030,103</u>	<u>1,953,433</u>	<u>(76,670)</u>
Expenditures:				
Transportation	1,390,000	1,358,436	1,141,365	217,071
Employee benefits	420,000	409,904	371,635	38,269
Debt service - principal	169,135	168,935	168,935	-
Debt service - interest	<u>30,865</u>	<u>30,661</u>	<u>30,661</u>	<u>-</u>
Total expenditures	<u>2,010,000</u>	<u>1,967,936</u>	<u>1,712,596</u>	<u>255,340</u>
Expenditures in excess of revenue	(50,000)	62,167	240,837	178,670
Other financing sources - transfers in	<u>30,000</u>	<u>39,000</u>	<u>39,000</u>	<u>-</u>
Change in fund balance	<u>\$ (20,000)</u>	<u>101,167</u>	279,837	<u>178,670</u>
Fund balance (deficit) at beginning of year			(101,167)	
Fund balance at end of year			<u>\$ 178,670</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - Water Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Departmental income	\$53,900	54,900	55,650	750
Use of money and property	100	100	360	260
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>55,000</u>	<u>55,000</u>	<u>56,010</u>	<u>1,010</u>
Expenditures - home and community services	<u>55,000</u>	<u>55,000</u>	<u>39,375</u>	<u>15,625</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>16,635</u>	<u>16,635</u>
Fund balance at beginning of year			<u>207,756</u>	
Fund balance at end of year			<u>\$224,391</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - Sewer Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Real property taxes	\$ 13,400	13,400	13,400	-
Departmental income	54,000	54,000	55,911	1,911
Use of money and property	600	600	400	(200)
Total revenue	<u>68,000</u>	<u>68,000</u>	<u>69,711</u>	<u>1,711</u>
Expenditures:				
Home and community services	64,206	74,206	66,221	7,985
Debt service - principal	25,794	25,794	25,794	-
Total expenditures	<u>90,000</u>	<u>100,000</u>	<u>92,015</u>	<u>7,985</u>
Change in fund balance	<u>\$ (22,000)</u>	<u>(32,000)</u>	(22,304)	<u>9,696</u>
Fund balance at beginning of year			<u>206,222</u>	
Fund balance at end of year			<u>\$ 183,918</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Schedule of Changes in the Town's
Total OPEB Liability and Related Ratios
Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 33,352	41,973	119,901
Interest on total OPEB liability	35,408	44,214	127,531
Economic/demographic gains or losses	(337,245)	(282,074)	-
Changes in assumptions or inputs	35,368	36,569	26,753
Benefit payments	<u>(23,698)</u>	<u>(33,200)</u>	<u>(33,200)</u>
Net change in total OPEB liability	(256,815)	(192,518)	240,985
Total OPEB liability - beginning	<u>1,270,641</u>	<u>1,463,159</u>	<u>1,222,174</u>
Total OPEB liability- ending	<u>\$ 1,013,826</u>	<u>1,270,641</u>	<u>1,463,159</u>
Covered payroll	\$ 945,902	1,109,718	976,259
Total OPEB liability as a percentage of covered payroll	107.18%	114.50%	149.87%

Notes to required supplementary information:

Changes of assumptions or other inputs - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used as of each measurement date:

<u>2020</u>	<u>2019</u>	<u>2018</u>
2.40%	2.74%	2.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability
December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.0031983%	0.0053194%	0.0045677%	0.0043371%	0.0042567%	0.0044826%
Town's proportionate share of the net pension liability	\$ 846,920	376,897	147,419	407,521	683,220	151,432
Town's covered payroll	\$1,133,261	1,130,291	1,731,063	1,302,470	1,199,898	1,214,893
Town's proportionate share of the net pension liability as a percentage of its covered payroll	74.73%	33.35%	8.52%	31.29%	56.94%	12.46%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Schedule of the Town's Pension Contributions
December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 157,957	157,272	194,304	188,544	199,855	176,368
Contributions in relation to the contractually required contribution	<u>157,957</u>	<u>157,272</u>	<u>194,304</u>	<u>188,544</u>	<u>199,855</u>	<u>176,368</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	\$1,133,261	1,130,291	1,731,063	1,302,470	1,199,898	1,214,893
Contributions as a percentage of covered payroll	13.94%	13.91%	11.22%	14.48%	16.66%	14.52%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2020

	Special <u>Recreation</u>	<u>Sewer</u>	<u>Water</u>	Total Nonmajor Governmental <u>Funds</u>
<u>Assets</u>				
Cash and equivalents - unrestricted	\$ 163,067	188,331	198,541	549,939
Accounts receivable	-	4,299	4,830	9,129
Due from other governments	-	12,716	11,814	24,530
Due from other funds	-	-	13,355	13,355
Total assets	<u>\$ 163,067</u>	<u>205,346</u>	<u>228,540</u>	<u>596,953</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	-	21,428	4,149	25,577
Due to other funds	<u>25,544</u>	-	-	<u>25,544</u>
Total liabilities	<u>25,544</u>	<u>21,428</u>	<u>4,149</u>	<u>51,121</u>
Fund balances - assigned	<u>137,523</u>	<u>183,918</u>	<u>224,391</u>	<u>545,832</u>
Total liabilities and fund balances	<u>\$ 163,067</u>	<u>205,346</u>	<u>228,540</u>	<u>596,953</u>

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended December 31, 2020

	Special Recreation	Sewer	Water	Total Nonmajor Governmental Funds
Revenue:				
Real property taxes	\$ -	13,400	-	13,400
Departmental income	-	55,911	55,650	111,561
Use of money and property	297	400	360	1,057
Total revenue	297	69,711	56,010	126,018
Expenditures:				
Home and community services	-	66,221	39,375	105,596
Debt service - principal	-	25,794	-	25,794
Total expenditures	-	92,015	39,375	131,390
Excess (deficiency) of revenue over expenditures	297	(22,304)	16,635	(5,372)
Other financing uses - transfers out	(25,544)	-	-	(25,544)
Change in fund balances	(25,247)	(22,304)	16,635	(30,916)
Fund balances at beginning of year	162,770	206,222	207,756	576,748
Fund balances at end of year	<u>\$ 137,523</u>	<u>183,918</u>	<u>224,391</u>	<u>545,832</u>

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Schedule of Indebtedness
Year ended December 31, 2020

	<u>Original Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Amount of Interest Paid During Fiscal Year</u>	<u>Amount of Interest Accrued at 12/31/2020</u>	<u>Due Within the Next Year</u>
Serial bonds:										
2006 Dover Ridge Sewer	6/8/2006	4/25/2036	0.00%	\$ 438,498	-	25,794	412,704	-	-	25,794
2008 Open Space	2/1/2009	8/1/2029	Varies	1,230,000	-	100,000	1,130,000	54,200	20,500	105,000
2013 Series Various Purpose	6/26/2013	6/15/2028	3.35%	790,000	-	75,000	715,000	25,209	499	80,000
Total serial bonds				2,458,498	-	200,794	2,257,704	79,409	20,999	210,794
Capital leases:										
2016 Mack Truck	11/19/2015	4/1/2020	2.78%	54,000	-	54,000	-	1,519	-	-
2018 Mack Truck	3/19/2018	5/1/2022	4.18%	146,509	-	46,810	99,699	6,244	2,832	48,808
Total capital leases				200,509	-	100,810	99,699	7,763	2,832	48,808
Total indebtedness				<u>\$ 2,659,007</u>	<u>-</u>	<u>301,604</u>	<u>2,357,403</u>	<u>87,172</u>	<u>23,831</u>	<u>259,602</u>

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended December 31, 2020

<u>Project title</u>	<u>Project Authorization</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>	<u>BAN</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>State Aid</u>	<u>County Aid</u>	<u>Other</u>	<u>Total</u>	<u>(Deficit)</u> <u>12/31/2020</u>	<u>Oustanding</u> <u>12/31/2020</u>
Town Hall	\$ 512,000	-	167,616	167,616	344,384	12,000	120,033	-	132,033	(35,583)	500,000
Gardner Hollow Bridge	500,000	76,991	7,238	84,229	415,771	74,549	-	2,442	76,991	(7,238)	500,000
Dover Ridge Water District	500,000	-	379,831	379,831	120,169	-	-	-	-	(379,831)	500,000
	<u>\$1,512,000</u>	<u>76,991</u>	<u>554,685</u>	<u>631,676</u>	<u>880,324</u>	<u>86,549</u>	<u>120,033</u>	<u>2,442</u>	<u>209,024</u>	<u>(422,652)</u>	<u>1,500,000</u>

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

Town Board and Supervisor
Town of Beekman, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Beekman, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 12, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
May 12, 2021

FORM OF BOND COUNSEL'S OPINION

December 16, 2021

Town of Beekman,
County of Dutchess
State of New York

Re: Town of Beekman, Dutchess County, New York
\$2,000,000 Bond Anticipation Notes, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$2,000,000 Bond Anticipation Notes, 2021 (the "Obligations"), of the Town of Beekman, Dutchess County, New York (the "Obligor"), December 16, 2021, numbered 1, of the denomination of \$_____, bearing interest at the rate of ____% per annum, payable at maturity, and maturing December 16, 2022.

We have examined:

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

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

In our opinion:

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

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP