

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 18, 2020**

**NEW ISSUES**

**BOND RATING:** Moody's Investors Service "Aa3"

**REFUNDING SERIAL BONDS**

**See "BOND RATING" herein**

*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 Bonds 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 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds 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 Bonds. See "TAX MATTERS" herein.*

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

**\$1,535,000<sup>†</sup>**  
**TOWN OF BETHEL**  
**SULLIVAN COUNTY, NEW YORK**  
**GENERAL OBLIGATIONS**

**\$1,535,000<sup>†</sup> Refunding (Serial) Bonds, 2020**  
**(referred to herein as the "Bonds")**

**Dated: Date of Delivery**

**Due: August 15, 2021-2031**

The Bonds are general obligations of the Town of Bethel, Sullivan County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF THE OBLIGATIONS" herein.

The Bonds shall be subject to redemption prior to maturity as described herein under "THE BONDS – Optional Redemption.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on February 15, 2021, August 15, 2021 and semi-annually thereafter on February 15 and August 15. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the approving legal opinions as to the validity of the Bonds of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. Certain legal matters will be passed upon for the Underwriter by its Counsel, Trespasz & Marquardt, LLP, Syracuse, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about October 14, 2020.



This Preliminary Official Statement is in a form "Deemed Final" by the Town for the purpose of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). For a description of the Town's agreement to provide continuing disclosure as described in the Rule, see "CONTINUING DISCLOSURE" herein.

September \_\_, 2020

<sup>†</sup> Preliminary, subject to change.

## **\$1,535,000<sup>†</sup> Refunding (Serial) Bonds, 2020**

**Dated: October 14, 2020**

**Due: August 15, 2021-2031**

### **MATURITIES<sup>†</sup>**

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2021	\$ 125,000				2027	\$ 140,000			
2022	130,000				2028	140,000			
2023	130,000				2029	150,000 *			
2024	135,000				2030	160,000 *			
2025	130,000				2031	160,000 *			
2026	135,000								

\* The Bonds maturing in the years 2029-2031 are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption" herein.

# **TOWN OF BETHEL**

## **SULLIVAN COUNTY, NEW YORK**

### **TOWN OFFICIALS**

#### **TOWN BOARD**

DANIEL STURM

Town Supervisor / Budget Officer

#### **COUNCIL MEMBERS**

BERNARD COHEN  
LILLIAN HENDRICKSON  
DAWN RYDER  
VICTORIA SIMPSON

\* \* \* \* \*

RITA J. SHEEHAN

Town Clerk

KELLY BONNACI

Confidential Secretary/Bookkeeper

KAREN MANNINO, ESQ.

Attorney for the Town

#### **MUNICIPAL ADVISOR**



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Syracuse, New York 13202  
(315) 752-0051  
[www.fiscaladvisors.com](http://www.fiscaladvisors.com)

#### **BOND COUNSEL**



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51 West 52<sup>nd</sup> Street  
New York, New York 10019  
(212) 506-5000

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations other than those contained in this Official Statement; and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information 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 since the date thereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT  
of the  
**TOWN OF BETHEL**  
**SULLIVAN COUNTY, NEW YORK**  
Relating To  
**\$1,535,000<sup>†</sup> Refunding (Serial) Bonds, 2020**

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Bethel, Sullivan County, New York (the “Town,” “County,” and “State,” respectively), in connection with the sale by the Town of its aggregate principal amount of \$1,535,000<sup>†</sup> Refunding (Serial) Bonds, 2020 (referred to herein as the “Bonds”).

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

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

**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.**

**THE BONDS**

**Description of the Bonds**

The Bonds are general obligations of the Town, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See “TAX LEVY LIMITATION LAW” and “NATURE OF THE OBLIGATIONS” herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the inside cover page. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on February 15, 2021, August 15, 2021 and semi-annually thereafter on February 15 and August 15. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

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<sup>†</sup> Preliminary, subject to change.

## Optional Redemption

The Bonds maturing on or before August 15, 2028 shall not be subject to redemption prior to maturity. The Bonds maturing on or after August 15, 2029 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed), at the option of the Town on August 15, 2028 or on any date thereafter at par (100%), plus accrued interest to the date of redemption.

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

## NATURE OF THE OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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



## **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent to be named by the Town upon termination of the book-entry-only system. Interest on the Bonds will be payable on February 15, 2021, August 15, 2021 and semi-annually thereafter on February 15 and August 15. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owners of the Bonds, on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. The Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Refunding Bonds Certificate of the Town Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last day of the calendar month preceding an interest payment date and such interest payment date.

## **AUTHORIZATION AND PLAN OF REFUNDING**

### **Authorization and Purpose**

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly section 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Town Board on August 12, 2020 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the \$1,535,000 outstanding principal balance of the Public Improvement (Serial) Bonds, 2011, being dated August 4, 2011 originally issued by the Town in the aggregate principal amount of \$2,572,000 (the "Refunded Bonds") and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

The Refunded Bonds were issued pursuant to the Constitution and statutes of the State, including among others, the Town Law, the Local Finance Law and certain bond resolution dated September 14, 2006 to finance the Kauneonga Lake Sewer District extension.

The proceeds of the Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the "Government Obligations") and pay certain costs of issuance related to the Bonds. The principal of and investment income on the portfolio of Government Obligations, together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined), are expected to be sufficient to pay the maturing principal of and interest on the Refunded Bonds.

All proceeds of the Refunded Bonds have been heretofore expended.

### **The Refunding Financial Plan**

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the Town's refunding financial plan (the "Refunding Financial Plan"). The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of U.S. Treasury securities (the "Government Obligations") or held as un-invested cash. The Government Obligations or un-invested cash are to be placed in an irrevocable escrow fund (the "Escrow Deposit Fund") with Manufacturers and Traders Trust Company (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the Town and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations or un-invested cash deposited will mature in amounts and bear interest sufficient, to meet principal and interest payments and redemption premiums with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and Government Obligations necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

The Town is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Town and will continue to be payable from Town sources legally available therefore. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal, interest and redemption premiums on the Refunded Bonds, it is not anticipated that such Town sources of payment will be used.

The list of Refunded Bond maturities set forth below, may be changed by the Town in its sole discretion due to market or other factors considered relevant by the Town at the time of pricing of the Bonds and no assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

**\$2,572,000 Public Improvement (Serial) Bonds, 2011 – Dated August 4, 2011**  
**CUSIP BASE: 086761**

<u>Due August 15<sup>th</sup></u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2021	\$ 125,000	3.000%	9/16/2020	100.00%	BY8
2022	130,000	3.125	9/16/2020	100.00	BZ5
2023	130,000	3.250	9/16/2020	100.00	CA9
2024	135,000	3.500	9/16/2020	100.00	CB7
2025	135,000	3.625	9/16/2020	100.00	CC5
2026	140,000	3.750	9/16/2020	100.00	CD3
2027	145,000	4.000	9/16/2020	100.00	CE1
2028	150,000	4.000	9/16/2020	100.00	CF8
2029	160,000	4.000	9/16/2020	100.00	CG6
2030	170,000	4.000	9/16/2020	100.00	CH4
2031	<u>175,000</u>	4.000	9/16/2020	100.00	CG0
	<u>\$ 1,595,000</u>				

The New York Local Finance Law provides that upon placement in escrow of proceeds of refunding bonds sufficient to provide for the payment of the principal of and interest on the bonds to be refunded by such refunding bonds, such bonds are no longer counted in computing the Town's debt for statutory debt limitation purposes.

**Verification of Mathematical Computations**

Causey Demgen & Moore P.C., a firm of independent public accountants, will deliver to the Town, on or before the settlement date of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Town and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations listed in the underwriter's schedules, used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal and redemption premium of and interest on the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder.

The verification performed by Causey Demgen & Moore P.C. will be solely based upon data, information and documents provided to Causey Demgen & Moore P.C. by the Town and its representatives. The Causey Demgen & Moore P.C. verification report will state Causey Demgen & Moore P.C. has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

## Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

<b>Sources:</b>	Par Amount of the Bonds	
	Original Issue Premium	
		Total
<b>Uses:</b>	Deposit to Escrow Fund	
	Underwriter's Discount	
	Costs of Issuance and Contingency	
		Total

## THE TOWN

### General Information

The Town is located in the in the southern sector of the Catskill Mountains in the County of Sullivan. The Town encompasses an area of 93.5 square miles and has an estimated population of 4,136 (2018 U.S. Census estimate) which expands to approximately 10,000 during the summer season.

Major highways within or in close proximity to the Town include Route 17 (The Southern Tier Expressway) which runs east-west and connects with Interstate 90 near Erie, Pennsylvania and Interstate Route 87, which extends north to Canada and south to New York City.

The Sullivan County Airport and the Sullivan County Industrial Park are in the center of the Town. Currently the Industrial Park has one business. The Industrial Park is owned by the Hudson Valley Foigras (HudVal).

### Local Economy

There are many opportunities in the Town from home businesses to agricultural, and small or large commercial entities. The Bethel Woods Performing Arts Center is a 15,000-seat outdoor performing arts venue and continues to be a draw for the area. Businesses have developed around the venue to support the crowds that come to the area to enjoy musical performances. The Town is also well known for its numerous lakes, excellent fishing areas, and recreation programs.

Construction has already commenced for the County's newest resort, The Chatwal Lodge, a luxury resort located within Chapin Estate, a housing development off Route 55 in the Town of Bethel. Nestled among 26 acres along the wooded shores of the Toronto Reservoir, The Chatwal Lodge is expected to open in spring 2022. The resort is designed to include 34 private villas and suite accommodations, refined rustic design and farm-to-table culinary experiences. All accommodations will be private villas, suites, cabins, tree houses and glamour tents. The developer also intends to include restaurants, event venues and a spa.

### Larger Employers

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
County of Sullivan	Government	1,060
Monticello Central School District	K-12 Education	624
The Bethel Woods Performing Arts Center	Seasonal Cultural Center	400
Camp Chipinaw	Seasonal Sleep-away Summer Camp	380
Town of Bethel	Municipality	70 (50 year-round & 20 seasonal)
HudVal	Agricultural	65
	Emergency Services	43
Woodstone Companies	Real Estate/Single Family Home Construction	25

Note: Figures in the table above pre-date the emergence of, and potential impacts due to the COVID-19 pandemic. Current employment figures are not available at this time, and are likely lower due to the ongoing COVID-19 global pandemic.

Source: Town officials.

## Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000, 2006-2010 and 2014-2018 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>
Town of:						
Bethel	\$ 25,335	\$ 24,777	\$ 32,963	\$ 37,321	\$ 57,780	\$ 69,450
County of:						
Sullivan	18,892	23,422	29,292	43,458	63,506	69,770
State of:						
New York	23,389	32,382	37,470	51,691	70,670	65,323

Note: 2015-2019 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2014-2018 American Community Survey data.

## Population Trends

	<u>Town of Bethel</u>	<u>Sullivan County</u>	<u>New York State</u>
1990	3,693	69,277	17,990,455
2000	4,362	73,966	18,976,457
2010	4,225	77,547	19,378,102
2018 (estimated)	4,136	75,211	19,618,453

Source: U.S. Census Bureau; 2018 American Community Survey 5-year estimates.

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

	<u>Annual Averages</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Sullivan County	8.1%	6.6%	5.4%	4.8%	4.9%	4.1%	4.0%
New York State	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

	<u>2020 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>
Sullivan County	4.7%	4.6%	4.6%	13.2%	10.8%	12.1%	13.6%	N/A
New York State	4.1%	3.9%	4.2%	15.1%	14.2%	15.5%	16.0%	N/A

Note: Unemployment rates for August 2020 are unavailable as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to increase substantially over prior periods as a result of the COVID-19 pandemic. (See "MARKET AND RISK FACTORS - COVID-19" herein).

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

## **Financial Organization**

As Chief Fiscal Officer, the Town Supervisor is directly responsible for all financial and budgetary transactions of the Town. The duties include administration, direction and control of the following divisions: Accounting, Purchasing, Accounts Payable, Accounts Receivable, Audit and Control, Budgeting, and Payroll/Personnel as specified in the New York State Town Law.

## **Form of Town Government**

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

The Town Clerk is elected to a two-year term. The Town Budget Officer is appointed yearly. The Town Board annually appoints the attorney for the Town. The Tax Collector is elected to a two-year term.

## **Budgetary Procedures**

The Town Supervisor is the Chief Fiscal Officer of the Town. The Town has a full-time professional Budget Officer. The Budget Officer develops a tentative budget, which is presented to the Town Board in the fall of each year. During the next four weeks the Town Board further develops the budget into a preliminary budget, which is presented at a public hearing in early November. After final revisions are made by the Town Board, a budget is adopted. All modifications of the budget must be approved by the governing board.

## **Investment Policy**

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

The Town presently invests only in savings accounts, money market accounts and certificate of deposits.

## **State Aid**

The Town receives financial assistance from the State. In its General Fund adopted budget for the 2020 fiscal year, approximately 5.3% of the operating revenues of the Town are expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

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

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

## Employees

Employees of the Town who are represented by unions are as follows:

<u>Bargaining Unit</u>	<u>Number of Employees</u>	<u>Contract Expiration</u>
AFSCME – NY Council 66	13	December 31, 2020

Source: Town officials.

## Status and Financing of Employee Pension Benefits

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

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

For ERS, Tier 5 provides for:

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

For ERS, Tier 6 provides for:

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

The Town's contributions to the ERS for the years 2015 through 2019 and the amount budgeted for 2020 are as follows:

<u>Fiscal Year</u>	<u>ERS</u>
2015	\$ 291,615
2016	248,002
2017	243,614
2018	247,662
2019	253,243
2020 (Budgeted)	248,050

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding 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 rates (2017 to 2021) is shown below:

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and 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. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

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

## Other Post-Employment Benefits

**Healthcare Benefits.** It should also be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may rise substantially in the future. Accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires governmental entities, such as the Town, to account for post-retirement healthcare benefits with respect to vested pension benefits. GASB 45 is now fully implemented for all government entities.

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

**GASB 75.** In 2015, the GASB released new accounting standards for public other postemployment benefits (OPEB) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this statement requires municipalities to report Other Post-Employment Benefits ("OPEB") liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required municipalities to calculate and report a net other postemployment benefit obligation. However, under GASB 45 municipalities could amortize the OPEB liability over a period of years, whereas GASB 75 requires municipalities to report the entire OPEB liability on the statement of net position.

**Summary of Changes from the Last Valuation.** The Town contracted with an actuarial firm to calculate its OPEB liability under GASB 75. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

	Balance beginning at:	January 1, 2018	January 1, 2019
		\$ 90,389	\$ 108,612
<b>Changes for the year:</b>			
Service cost		7,751	8,194
Interest		3,641	3,691
Differences between expected and actual experience		-	-
Changes in benefit terms		-	-
Changes in assumptions or other inputs		12,453	(11,619)
Benefit payments		(5,622)	(7,962)
Net Changes		\$ 18,223	\$ (7,696)
	Balance ending at:	December 31, 2018	December 31, 2019
		\$ 108,612	\$ 100,916

Source: Audited financial statements of the Town. Table itself is not audited.

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.

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.



## Financial Statements

The Town retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The last independent audit covers the fiscal year ending December 31, 2019 and is attached hereto as “APPENDIX – E”.

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

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

## New York State Comptroller Reports of Examination

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

There have not been any State Comptroller audits of the Town published in the past five years. There are no other State Comptrollers audits of the Town that are currently in progress or pending release at this time.

## 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 2014 through 2018 fiscal years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	No Designation	6.7
2017	No Designation	5.0
2016	No Designation	5.0
2015	No Designation	3.3
2014	No Designation	5.0

Note: The fiscal score for fiscal year ending December 31, 2019 has not been calculated as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

## Other Information

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

The Town has complied with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

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

The fiscal year of the Town is the calendar year.

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

## TAX INFORMATION

### Taxable Valuations

<u>Year of Town Tax Roll</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$ 458,889,394	\$ 463,161,960	\$ 467,396,260	\$ 467,972,098	\$ 472,323,425
New York State					
Equalization Rate	73.00%	73.24%	69.75%	68.00%	61.00%
Total Taxable Full Valuation	\$ 628,615,608	\$ 632,389,350	\$ 670,102,165	\$ 688,194,262	\$ 774,300,697

Source: Town officials.

### Tax Rate Per \$1,000 (Assessed)

<u>Year of Town Tax Roll</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Town	\$9.29	\$9.19	\$9.28	\$9.51	\$9.64

Source: Town officials.

### Tax Collection Procedure

Taxes are assessments are payable during January without penalty. Beginning February 1, one per centum is added; beginning March 1 two per centum is added. After March 30th the tax roll is returned to the County and taxes plus penalties are payable to the County Treasurer. The Town retains the total amount of Town, highway, and special district levies from the total collections and returns the balance plus the uncollected items to the County, assuring the Town of receiving 100% of its tax levy.

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Tax Levy	\$ 4,181,139	\$ 4,243,748	\$ 4,353,771	\$ 4,471,463	\$ 4,460,331
Amount Uncollected <sup>(1)</sup>	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> The Town receives 100% of its tax levy from the County. See "Tax Collection Procedure."

Source: Town officials.

## Ten Largest Taxpayers – 2019 Assessment for 2020 Town Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
The Bethel Woods Performing Arts Center	Seasonal Cultural Center	\$ 20,357,139
NYS Land, LLC	Developer	15,742,043
County of Sullivan	Government	10,714,200
New York State Electric & Gas	Utility	8,695,899
Iroquois Hunting	Hunting Club	6,417,400
State of New York	Government	3,530,500
United Talmudical Academy	Religious Organization	2,912,700
Camp Chipinaw Realty Co., LLC	Campground / Sports	2,212,982
Silver Lake Realty	Campground / Sports	1,869,610
GF Realty III LLC / Gerry Foundation, Inc.	Arts / Entertainment	1,372,000

The largest taxpayers listed above have a total taxable valuation of \$73,824,473, which represents 15.6% of the Town's total taxable assessed valuation for 2020.

The Town is subject to a number of tax certiorari appeals on an annual basis, none of which are reasonably expected to have a significant impact on the finances of the Town.

Source: Town officials.

### Additional Tax Information

Real property in the Town is assessed by the Town.

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

The assessment roll of the Town is constituted approximately as follows: 80% Residential, 15% Commercial and Industrial and 5% - Other.

The total property tax bill for residential property located in the Town with an assessed taxable value of \$150,000 is approximately \$4,800 including County, School District and special purpose Town taxes.

### TAX LEVY LIMITATION LAW

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

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

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

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

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

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 annual debt service is authorized and 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 notes and such required annual installments on its bonds.

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 within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The Town published an estoppel notice relating to the Refunding Bond Resolution on August 9, 2020 that met the requirements of the Estoppel Procedure. However, as a result of the COVID – 19 health crisis, Governor Cuomo has issued Executive Orders that have the effect of tolling legal time limitations from March 20, 2020 to September 4, 2020. As of the date hereof, there is no way to determine whether such Executive Orders will be extended. Such estoppel period will not have expired as of the proposed date of issuance of the Bonds. Compliance with the Estoppel Procedure is generally recommended by bond counsel but is not legally required. The Town's administration is not aware of any opposition to the issuance of the Bonds and the Town's bond counsel will deliver its unqualified opinion with respect to the Bonds. The information contained under this paragraph does not constitute operating data and annual financial information for purposes of the Town's Undertaking.

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 the State 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, budget, deficiency and capital notes (see "Details of Outstanding Indebtedness" herein).

#### **Debt Outstanding End of Fiscal Year (December 31)**

<u>Fiscal Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 2,812,000	\$ 5,773,723	\$ 5,710,020	\$ 5,691,333	\$ 5,213,848
Bond Anticipation Notes	3,244,957	0	0	0	0
Operating Lease	67,500	45,501	32,334	19,167	6,000
Total Debt Outstanding	<u>\$ 6,124,457</u>	<u>\$ 5,819,224</u>	<u>\$ 5,742,354</u>	<u>\$ 5,710,500</u>	<u>\$ 5,219,848</u>

#### **Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the Town evidenced by serial bonds and bond anticipation notes as of September 16, 2020.

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2020-2046	\$ 4,992,214
<u>Bond Anticipation Notes</u>	--	0
	Total Indebtedness	<u>\$ 4,992,214</u>

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as shown on a Debt Statement prepared as of September 16, 2020:

Five-Year Average Full Valuation of Taxable Real Property .....	\$ 678,720,416
Debt Limit 7% thereof.....	47,510,429
<u>Inclusions:</u>	
Bonds.....	\$ 4,992,214
Bond Anticipation Notes .....	<u>0</u>
Total Inclusions.....	\$ 4,992,214
<u>Exclusions:</u>	
Water Indebtedness <sup>(1)</sup> .....	\$
Appropriations <sup>(2)</sup> .....	<u>204,715</u>
Total Exclusions.....	<u>\$ 204,715</u>
Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 4,787,499</u>
Net Debt-Contracting Margin.....	<u>\$ 42,722,930</u>
The percent of debt contracting power exhausted is.....	10.08%

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

- (1) Excluded pursuant to Section 124.10 of the Local Finance Law.
- (2) Excluded pursuant to Section 136.00 of the Local Finance Law.

**Bonded Debt Service**

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

**Cash Flow Borrowings**

The Town has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past and does not plan on issuing either in the foreseeable future.

**Future Capital Project Plans**

The Town is currently contemplating a Town Hall expansion project within the next five years at an estimated cost of up to \$1,000,000. The Town has not authorized the issuance of debt for this or any other projects at this time.

## 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> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Net Indebtedness</u>
County of:						
Sullivan	12/31/2018	\$ 166,520,000	\$ - <sup>(2)</sup>	\$ 166,520,000	8.77%	\$ 14,603,804
School District:						
Sullivan West CSD	6/30/2019	14,660,000	10,320,640 <sup>(3)</sup>	4,339,360	8.21%	356,261
Monticello CSD	6/30/2019	7,689,135	5,005,627 <sup>(3)</sup>	2,683,508	21.57%	578,833
Liberty CSD	6/30/2019	19,397,686	17,283,338 <sup>(3)</sup>	2,114,348	11.13%	235,327
Fire District:						
White Lake Fire Co.	12/31/2018	-	-	-	100.00%	-
Mongaup Valley Fire Co.	12/31/2018	242,665	214,759	27,906	100.00%	27,906
Kauneonga Lake Fire Co.	12/31/2018	433,932	384,030	49,902	100.00%	49,902
Total:						<u>\$ 15,852,034</u>

- (1) Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.
- (2) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
- (3) Estimated State Building aid.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2018 for counties and 2019 for school districts.

## Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of September 16, 2020:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 4,787,499	\$ 1,157.52	0.62%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	20,639,533	4,990.22	2.67%

- (a) The 2018 estimated population of the Town is 4,136. (See "THE TOWN – Population" herein.)
- (b) The full value of taxable real estate for the Town's 2020 tax roll is \$774,300,697. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$15,852,034. (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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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

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

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

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

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

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law 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 County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money

and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

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

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

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

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

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

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

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

**No Past Due Debt.** No principal of or interest on Town indebtedness is past due.

## MARKET AND RISK FACTORS

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

The financial condition of the Town as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Town’s control. There can be no assurance that adverse events in the State and in other jurisdictions 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 Bonds. 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 Bonds, could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in 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.

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

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

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

## **Cybersecurity**

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

## **COVID-19**

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

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

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

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

## **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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed forms of opinion of Bond Counsel is set forth in APPENDIX – D.

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

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

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

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

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Bonds substantially in the forms set forth in “APPENDIX – D” hereto.

Certain legal matters will be passed on for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York. Certain matters will be passed on for the Town by its Attorney.

## **LITIGATION**

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

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

## **CONTINUING DISCLOSURE**

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

### **Historical Continuing Disclosure Compliance**

The Town has not filed its Annual Financial Information & Operating Data ("AFIOD"), audited financial statements or applicable material event notices for the past five years as required under a prior continuing disclosure undertaking with respect to the issuance of 2011 Public Improvement (Serial) Bonds.

The Town has since filed its past five years audited financial statements and most recent available AFIOD to EMMA and has filed all applicable material event notices and notice of its failure to file. The Town has since retained a dissemination agent to ensure all future filings will be made in a timely manner.

## **BOND RATING**

Moody's Investors Service ("Moody's") has assigned its rating of "Aa3" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

## **MUNICIPAL ADVISOR**

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

## UNDERWRITING

The Bonds are being purchased by Robert W. Baird & Co. (the “Underwriter”) for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to \$\_\_\_\_\_ (being the par amount of the Bonds plus a net original issue premium of \$\_\_\_\_\_, less an underwriter’s fee for the transaction of \$\_\_\_\_\_). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

## MISCELLANEOUS

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

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

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

Neither Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, nor Trespasz and Marquardt, LLP, have expressed opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

Copies of the Official Statement and additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

The Town will act as Paying Agent for the Bonds. The Town contact information is as follows: Ms. Kelly Bonnaci, Confidential Secretary to the Supervisor, Town of Bethel, 3454 Route 55, P.O. Box 300, White Lake, New York 12786, Phone: (845) 583-4350, Telefax: (845) 583-4710, Email: [bethelsupervisor@libertybiz.rr.com](mailto:bethelsupervisor@libertybiz.rr.com)

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

**TOWN OF BETHEL**

**DANIEL STURM**  
Town Supervisor

**Dated: September 18, 2020**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending December 31:	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>
<u><b>ASSETS</b></u>					
Cash	\$ 518,736	\$ 701,921	\$ 651,633	\$ 855,312	\$ 1,086,763
Cash - Restricted	180,656	135,195	135,363	135,502	135,637
Accounts Receivable	120,321	89,938	85,869	94,039	102,658
Due from Other Funds	1,965	1,841	202,659	19,476	-
Due from State and Federal	50,000	50,000	-	-	-
Due from Other Governments	114,404	109,365	15,551	60,358	25,865
Due from Related Parties	-	-	83,404	73,404	65,404
Prepaid Expenses	19,989	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 1,006,071</u></u>	<u><u>\$ 1,088,260</u></u>	<u><u>\$ 1,174,479</u></u>	<u><u>\$ 1,238,091</u></u>	<u><u>\$ 1,416,327</u></u>
<u><b>LIABILITIES AND FUND EQUITY</b></u>					
Accounts Payable	\$ 34,892	\$ 36,493	\$ 41,010	\$ 31,937	\$ 28,756
Accrued Liabilities	1,013	3,075	3,075	4,055	4,055
Due to Other Funds	25,644	22,609	1,422	1,422	14,907
Due to Other Governments	5,826	-	11,967	7,500	7,500
Due to State Retirement System	106,643	85,973	91,016	91,016	91,016
Other Liabilities	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u><u>174,018</u></u>	<u><u>148,150</u></u>	<u><u>148,490</u></u>	<u><u>135,930</u></u>	<u><u>146,234</u></u>
<u><b>FUND EQUITY</b></u>					
Nonspendable	\$ 19,989	\$ -	\$ 73,404	\$ 63,404	\$ 55,404
Restricted	180,656	135,195	135,363	135,502	135,637
Assigned	175,000	175,000	175,000	175,000	175,000
Unassigned	456,408	629,915	642,222	728,255	904,052
<b>TOTAL FUND EQUITY</b>	<u><u>832,053</u></u>	<u><u>940,110</u></u>	<u><u>1,025,989</u></u>	<u><u>1,102,161</u></u>	<u><u>1,270,093</u></u>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<u><u>\$ 1,006,071</u></u>	<u><u>\$ 1,088,260</u></u>	<u><u>\$ 1,174,479</u></u>	<u><u>\$ 1,238,091</u></u>	<u><u>\$ 1,416,327</u></u>



GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 1,649,767	\$ 1,709,310	\$ 1,820,248	\$ 1,845,205	\$ 1,905,631
Other Tax Items	61,829	55,139	51,101	61,415	70,526
Non Property Tax Items	64,047	68,280	79,688	86,936	100,091
Departmental Income	227,948	187,509	197,582	192,104	196,215
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	5,152	2,637	2,080	1,978	11,992
Licenses and Permits	6,533	4,023	4,085	3,762	4,622
Fines and Forfeitures	84,411	119,469	122,981	127,256	101,175
Sale of Property and Compensation for Loss	3,610	100,412	1,737	11,025	3,934
Miscellaneous	36,699	57,568	37,689	36,753	51,975
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	236,861	225,680	157,997	192,267	240,508
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 2,376,857</u>	<u>\$ 2,530,027</u>	<u>\$ 2,475,188</u>	<u>\$ 2,558,701</u>	<u>\$ 2,686,669</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 734,964	\$ 784,488	\$ 739,198	\$ 707,454	\$ 724,245
Education	-	-	-	-	-
Public Safety	326,240	311,033	309,402	338,640	375,763
Health	1,960	960	979	1,009	1,009
Transportation	130,773	128,901	126,334	128,802	126,535
Economic Assistance and Opportunity	669	574	274	626	594
Culture and Recreation	260,395	253,900	230,098	290,323	285,075
Home and Community Services	149,573	131,367	134,728	128,274	152,861
Employee Benefits	674,426	700,262	741,117	777,647	762,249
Debt Service	112,532	110,485	107,179	76,161	74,804
Total Expenditures	<u>\$ 2,391,532</u>	<u>\$ 2,421,970</u>	<u>\$ 2,389,309</u>	<u>\$ 2,448,936</u>	<u>\$ 2,503,135</u>
Excess of Revenues Over (Under) Expenditures	<u>(14,675)</u>	<u>108,057</u>	<u>85,879</u>	<u>109,765</u>	<u>183,534</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	5,285	-
Operating Transfers Out	-	-	-	(31,379)	(15,602)
Other Budgetary Purposes	-	-	-	-	-
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,094)</u>	<u>(15,602)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(14,675)</u>	<u>108,057</u>	<u>85,879</u>	<u>83,671</u>	<u>167,932</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	846,728	832,053	940,111	1,025,990	1,102,161
Prior Period Adjustments (net)	-	-	-	(7,500)	-
Fund Balance - End of Year	<u>\$ 832,053</u>	<u>\$ 940,110</u>	<u>\$ 1,025,990</u>	<u>\$ 1,102,161</u>	<u>\$ 1,270,093</u>

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

GENERAL FUND

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

Fiscal Years Ending December 31:

	2019			2020
	Adopted	Modified		Adopted
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<b>REVENUES</b>				
Real Property Taxes	\$ 1,905,631	\$ 1,905,631	\$ 1,905,631	\$ 1,965,485
Other Tax Items	54,849	54,849	70,526	58,415
Non Property Tax Items	63,000	63,000	100,091	63,000
Departmental Income	149,000	149,000	196,215	149,200
Intergovernmental Charges	-	-	-	-
Use of Money & Property	1,000	1,000	11,992	1,000
Licenses and Permits	3,200	3,200	4,622	3,200
Fines and Forfeitures	61,000	61,000	101,175	61,000
Sale of Property and				
Compensation for Loss	1,000	1,000	3,934	500
Miscellaneous	15,500	15,500	51,975	15,000
Interfund Revenues	-	-	-	-
Revenues from State Sources	129,000	129,000	240,508	129,000
Revenues from Federal Sources	-	-	-	-
Total Revenues	<u>\$ 2,383,180</u>	<u>\$ 2,383,180</u>	<u>\$ 2,686,669</u>	<u>\$ 2,445,800</u>
<b>EXPENDITURES</b>				
General Government Support	\$ 761,628	\$ 741,499	\$ 724,245	\$ 796,297
Education	-	-	-	-
Public Safety	361,915	391,488	375,763	365,771
Health	2,009	2,009	1,009	2,029
Transportation	134,098	134,098	126,535	139,466
Economic Assistance and	-	-	-	-
Opportunity	775	775	594	775
Culture and Recreation	231,565	282,868	285,075	251,152
Home and Community Services	152,184	152,184	152,861	153,322
Employee Benefits	838,089	761,740	762,249	841,236
Debt Service	75,917	75,917	74,804	70,752
Total Expenditures	<u>\$ 2,558,180</u>	<u>\$ 2,542,578</u>	<u>\$ 2,503,135</u>	<u>\$ 2,620,800</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(175,000)</u>	<u>(159,398)</u>	<u>183,534</u>	<u>(175,000)</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	(15,602)	(15,602)	-
Appropriated Fund Balance	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>
Total Other Financing	<u>175,000</u>	<u>159,398</u>	<u>(15,602)</u>	<u>175,000</u>
Excess of Revenues and Other				
Sources Over (Under) Expenditures				
and Other Uses	<u>-</u>	<u>-</u>	<u>167,932</u>	<u>-</u>
<b>FUND BALANCE</b>				
Fund Balance - Beginning of Year	-	-	1,102,161	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,093</u>	<u>\$ -</u>

Source: Audited financial reports and 2020 adopted budget (unaudited) of the Town. This Appendix is not itself audited.

**APPENDIX - B**  
**Town of Bethel**

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	PRIOR TO REFUNDING			Refunded Bonds Debt Service	REFUNDING BONDS			Total New Debt Service
	Principal	Interest	Total		Principal	Interest	Total	
2020	\$ 426,350	\$ 84,177	\$ 510,527	\$ -	\$ -	\$ -	\$ -	\$ 510,527
2021	431,485	75,319	506,804	-	-	-	-	506,804
2022	378,734	66,311	445,045	-	-	-	-	445,045
2023	296,570	58,243	354,813	-	-	-	-	354,813
2024	262,770	51,731	314,501	-	-	-	-	314,501
2025	262,770	46,033	308,803	-	-	-	-	308,803
2026	267,770	40,167	307,937	-	-	-	-	307,937
2027	272,770	33,945	306,715	-	-	-	-	306,715
2028	277,770	27,172	304,942	-	-	-	-	304,942
2029	261,770	20,200	281,970	-	-	-	-	281,970
2030	271,770	13,800	285,570	-	-	-	-	285,570
2031	276,770	7,000	283,770	-	-	-	-	283,770
2032	101,770	-	101,770	-	-	-	-	101,770
2033	101,770	-	101,770	-	-	-	-	101,770
2034	101,770	-	101,770	-	-	-	-	101,770
2035	101,770	-	101,770	-	-	-	-	101,770
2036	101,770	-	101,770	-	-	-	-	101,770
2037	101,770	-	101,770	-	-	-	-	101,770
2038	101,770	-	101,770	-	-	-	-	101,770
2039	101,770	-	101,770	-	-	-	-	101,770
2040	101,770	-	101,770	-	-	-	-	101,770
2041	101,770	-	101,770	-	-	-	-	101,770
2042	101,770	-	101,770	-	-	-	-	101,770
2043	101,770	-	101,770	-	-	-	-	101,770
2044	101,770	-	101,770	-	-	-	-	101,770
2045	101,770	-	101,770	-	-	-	-	101,770
2046	101,770	-	101,770	-	-	-	-	101,770
TOTALS	\$ 5,213,849	\$ 524,099	\$ 5,737,948	\$ -	\$ -	\$ -	\$ -	\$ 5,737,948

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2011			2016			2016		
	Kauneonga Lake Sewer District Extension			Sewer Rehabilitation - 0% Interest Subsidy			Statutory Installment Bond		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 120,000	\$ 62,506	\$ 182,506	\$ 101,635	\$ -	\$ 101,635	\$ 57,751	\$ 2,506	\$ 60,257
2021	125,000	58,906	183,906	101,770	-	101,770	57,751	1,253	59,004
2022	130,000	55,156	185,156	101,770	-	101,770	-	-	-
2023	130,000	51,094	181,094	101,770	-	101,770	-	-	-
2024	135,000	46,869	181,869	101,770	-	101,770	-	-	-
2025	135,000	42,144	177,144	101,770	-	101,770	-	-	-
2026	140,000	37,250	177,250	101,770	-	101,770	-	-	-
2027	145,000	32,000	177,000	101,770	-	101,770	-	-	-
2028	150,000	26,200	176,200	101,770	-	101,770	-	-	-
2029	160,000	20,200	180,200	101,770	-	101,770	-	-	-
2030	170,000	13,800	183,800	101,770	-	101,770	-	-	-
2031	175,000	7,000	182,000	101,770	-	101,770	-	-	-
2032	-	-	-	101,770	-	101,770	-	-	-
2033	-	-	-	101,770	-	101,770	-	-	-
2034	-	-	-	101,770	-	101,770	-	-	-
2035	-	-	-	101,770	-	101,770	-	-	-
2036	-	-	-	101,770	-	101,770	-	-	-
2037	-	-	-	101,770	-	101,770	-	-	-
2038	-	-	-	101,770	-	101,770	-	-	-
2039	-	-	-	101,770	-	101,770	-	-	-
2040	-	-	-	101,770	-	101,770	-	-	-
2041	-	-	-	101,770	-	101,770	-	-	-
2042	-	-	-	101,770	-	101,770	-	-	-
2043	-	-	-	101,770	-	101,770	-	-	-
2044	-	-	-	101,770	-	101,770	-	-	-
2045	-	-	-	101,770	-	101,770	-	-	-
2046	-	-	-	101,770	-	101,770	-	-	-
TOTALS	\$ 1,715,000	\$ 453,125	\$ 2,168,125	\$ 2,747,655	\$ -	\$ 2,747,655	\$ 115,502	\$ 3,760	\$ 119,262

  

Fiscal Year Ending Dec 31st	2017			2018			2019		
	Statutory Installment Bond			Statutory Installment Bond			Statutory Installment Bond		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 82,164	\$ 5,152	\$ 87,316	\$ 38,800	\$ 5,261	\$ 44,061	\$ 26,000	\$ 8,752	\$ 34,752
2021	82,164	3,434	85,598	38,800	3,946	42,746	26,000	7,779	33,779
2022	82,164	1,717	83,881	38,800	2,631	41,431	26,000	6,807	32,807
2023	-	-	-	38,800	1,315	40,115	26,000	5,834	31,834
2024	-	-	-	-	-	-	26,000	4,862	30,862
2025	-	-	-	-	-	-	26,000	3,890	29,890
2026	-	-	-	-	-	-	26,000	2,917	28,917
2027	-	-	-	-	-	-	26,000	1,945	27,945
2028	-	-	-	-	-	-	26,000	972	26,972
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
TOTALS	\$ 246,492	\$ 10,303	\$ 256,795	\$ 155,200	\$ 13,153	\$ 168,353	\$ 234,000	\$ 43,758	\$ 277,758

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”), the Town has agreed to provide, or cause to be provided, during the period in which the Bonds are outstanding:

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated September 24, 2020 of the Town relating to the Bonds under the headings “THE TOWN”, “TAX INFORMATION”, “STATUS OF INDEBTEDNESS”, “LITIGATION” and all Appendices (other Appendix C, D and other than any Appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

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

- (o) incurrence of a “financial obligation” (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

## FORM OF BOND COUNSEL'S OPINION

October 14, 2020

Town of Bethel,  
County of Sullivan,  
State of New York

Re: Town of Bethel, Sullivan County, New York  
\$1,535,000 Refunding (Serial) Bonds, 2020

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,535,000 Refunding (Serial) Bonds, 2020 (the "Obligations"), of the Town of Bethel, New York (the "Obligor"), dated October 14, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_ hundredths per centum (\_\_\_\_%) per annum as to bonds maturing in \_\_\_\_, payable on February 15, 2021 and semi-annually thereafter on August 15 and February 15, and maturing in the amount of \$ \_\_\_\_\_ on August 15, 2021, \$ \_\_\_\_\_ on August 15, 2022, \$ \_\_\_\_\_ on August 15, 2023, \$ \_\_\_\_\_ on August 15, 2024, \$ \_\_\_\_\_ on August 15, 2025, \$ \_\_\_\_\_ on August 15, 2026, \$ \_\_\_\_\_ on August 15, 2027, \$ \_\_\_\_\_ on August 15, 2028, \$ \_\_\_\_\_ on August 15, 2029, \$ \_\_\_\_\_ on August 15, 2030 and \$ \_\_\_\_\_ on August 15, 2031.

The Obligations maturing on or before August 15, 2028 shall not be subject to redemption prior to maturity. The Obligations maturing on or after August 15, 2029 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Town on August 15, 2028 or on any date thereafter at par, plus accrued interest to the date of redemption.

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



**TOWN OF BETHEL  
SULLIVAN COUNTY, NEW YORK**

**AUDITED FINANCIAL STATEMENT**

**For the Year Ended December 31, 2019**

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

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

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## INDEPENDENT AUDITORS' REPORT

To The Supervisor and Board Members of the  
Town of Bethel  
White Lake, New York

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, New York, as of and for the year ended December 31, 2019, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Qualified Opinion on the Governmental Activities and Business-Type Activities**

The statement of net position does not include a liability for the Town's post-employment health insurance benefits and the statement of activities does not include an expense related to post-employment health insurance benefits earned and expensed for the year ended December 31, 2019. Accounting principles generally accepted in the United States of America require that the liability for post-employment health insurance benefits be calculated and disclosed in accordance with Government Accounting Standards Board Statement No. 75. The amount by which this departure would affect the statement of net position and statement of activities has not been determined.

### **Qualified Opinion on the Governmental Activities and Business-Type Activities**

In our opinion, except for the effects of not reporting the Town's post-employment health insurance benefits as described in the Basis for Qualified Opinion paragraph, the financial statements of the governmental activities and business-type activities present fairly, in all material respects, the respective financial position of the governmental activities and business-type activities of the Town of Bethel, New York, as of December 31, 2019, and its changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Bethel, New York, as of December 31, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 9 and 53 through 60, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements,

and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, New York's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The prior year summarized comparative information has been derived from the Town's December 31, 2018 financial statements and, in our report dated April 4, 2019, we expressed a qualified opinion on those financial statements.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2020 on our consideration of the Town of Bethel, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bethel, New York's internal control over financial reporting and compliance.



Mongaup Valley, New York  
April 8, 2020

**TOWN OF BETHEL**

Town of Bethel  
PO Box 300  
Bethel, NY 12786

Phone (845) 583-4712  
Fax (845) 583-4710

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# **MANAGEMENT DISCUSSION AND ANALYSIS**

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Town of Bethel

Year Ended December 31, 2019

## Town of Bethel

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2019. This section is a summary of the Town's financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

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### Financial Highlights

Key financial highlights for 2019 are as follows:

#### Town – Wide Statements

The Town's main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 4,471,377	68%	69%
State and Federal Aid	648,499	10%	11%
Sewer Charges	685,426	10%	10%

The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Transportation	\$ 3,412,347	53%	56%
General Government Support	1,099,623	17%	16%
Sewer Districts	646,526	10%	10%

Total net position was \$21,363,271 at December 31, 2019, up \$169,587 from the prior year.

#### Fund Financial Statements

The highlights of the activities in the major funds are as follows:

<u>General Fund</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 1,905,631	71%	72%
Departmental Income	196,215	7%	8%
State Aid	240,508	9%	8%
General Government Support	724,245	29%	29%
Employee Benefits	762,249	30%	32%
Public Safety	375,763	15%	14%



- The General Fund's fund balance increased from \$1,102,161 at December 31, 2018 to \$1,270,093 at December 31, 2019. Of the total fund balance, \$175,000 was appropriated towards the subsequent year's budget, \$55,404 was in non-spendable form and \$135,637 was restricted for future expenditures, leaving \$904,052 as unassigned.
- The Highway Fund had tax revenues of \$2,451,227, which accounted for 84% of its total revenues of \$2,926,491. NYS CHIPs funding of \$407,991 accounted for 14% of total revenues.

## **Using this Comprehensive Annual Report**

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

## **Reporting the Town as a Whole**

### *The Statement of Net Position and Statement of Activities*

One of the most important questions asked about the Town's finances is "Is the Town better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the Town's financial health is improving or deteriorating.

The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two distinct kinds of activities:

### **Governmental Activities:**

This section represents programs and services that are funded fully or in part by general town revenues such as property taxes, state aid, etc.

## **Business Type Activities:**

This section presents areas where services or goods are provided and changes are made for such goods and services to recover all expenses.

## **Reporting the Town's Most Significant Funds**

### *Fund Financial Statements*

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches.

### *Governmental Funds*

Most of the Town's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **Reporting the Town's Fiduciary Responsibilities**

The Town is the trustee or fiduciary for assets that belong to others such as payroll withholdings. It is the Town's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position and Changes in Fiduciary Net Position" schedule, as the Town may not use these assets to finance its operations.

	<u>2019</u>	<u>2018</u>
<b>NET POSITION</b>		
Current Assets	\$ 2,885,726	\$ 2,530,176
Capital Assets	45,675,954	45,337,533
Less: Accumulated Depreciation	<u>(20,908,006)</u>	<u>(20,130,918)</u>
<b>Total Assets</b>	<u>27,653,674</u>	<u>27,736,791</u>
<b>Deferred Outflows of Resources</b>		
Pensions	<u>424,064</u>	<u>717,189</u>
Current Liabilities	501,629	321,614
Long-Term Liabilities	<u>6,045,854</u>	<u>6,310,298</u>
<b>Total Liabilities</b>	<u>6,547,483</u>	<u>6,631,912</u>
<b>Deferred Inflows of Resources</b>		
Pensions	<u>166,984</u>	<u>628,384</u>
Net Investment in Capital Assets	19,556,576	19,707,184
Restricted	144,817	142,199
Unrestricted	<u>1,661,878</u>	<u>1,344,301</u>
<b>Total Net Position</b>	<u>\$ 21,363,271</u>	<u>\$ 21,193,684</u>
<b>REVENUES</b>		
Real Property Taxes	\$ 4,471,377	\$ 4,353,773
Other Tax Items	70,526	61,415
Non-Property Tax	100,091	86,936
Charges For Services	1,096,233	1,059,110
Grants And Contributions	608,755	553,114
Investment Earnings	22,515	5,455
Sale Of Property And Compensation For		
Loss	4,146	13,475
Miscellaneous Local Sources	4,168	2,047
State Sources	<u>234,008</u>	<u>172,143</u>
<b>Total Revenues</b>	<u>6,611,819</u>	<u>6,307,468</u>
<b>EXPENDITURES</b>		
General Government Support	1,099,623	1,067,375
Public Safety	547,367	543,165
Health	107,816	103,709
Transportation	3,412,347	3,608,543
Economic Assistance And Opportunity	594	626
Culture And Recreation	410,495	355,220
Home And Community Service	200,333	174,300
Debt Service	17,131	16,093
Sewer Districts	<u>646,526</u>	<u>629,329</u>
<b>Total Expenditures</b>	<u>6,442,232</u>	<u>6,498,360</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 169,587</u>	<u>\$ (190,892)</u>

## Governmental Activities

### *The Town's Funds*

Information about the Town's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$5,727,771 and expenditures of \$5,571,947. This resulted in an increase in fund balance of \$155,824.

	<u>2019 Fund Balance</u>	<u>2018 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund	\$ 1,270,093	\$ 1,102,161	\$ 167,932
Highway Fund	805,938	626,681	179,257
Non-Major Funds	<u>25,987</u>	<u>217,352</u>	<u>(191,365)</u>
<b>Total Governmental</b>	<u><b>\$ 2,102,018</b></u>	<u><b>\$ 1,946,194</b></u>	<u><b>\$ 155,824</b></u>

## BUDGET INFORMATION

The Town's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 53. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the "Supplemental Schedules" beginning on page 61 of the financial statements.

### Capital Assets

The Town had \$27,767,948 invested in capital assets, net of \$20,908,006 in accumulated depreciation, as of December 31, 2019. Depreciation expense for the year ended December 31, 2019 was \$869,507.

### Debt

As of December 31, 2019, the Town had \$5,213,848 in outstanding bonds payable. The Town paid interest of \$93,294 during the year.

### Contacting the Town's Financial Management

It is the intent of this report to provide the Town's citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Town of Bethel, PO Box 300, Bethel, NY 12786.

TOWN OF BETHEL  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2018 TOTAL
ASSETS				
Current Assets:				
Cash	\$ 2,048,535	\$ 284,577	\$ 2,333,112	\$ 1,877,326
Cash - Restricted	144,817	-	144,817	334,001
Accounts Receivable	128,658	40,887	169,545	107,759
Rents Receivable	-	91,281	91,281	69,620
Due From Other Fund Types	15,298	-	15,298	-
Due From State and Federal	-	40,404	40,404	7,708
Due From Other Governments	25,865	-	25,865	60,358
Due From Related Parties	<u>65,404</u>	<u>-</u>	<u>65,404</u>	<u>73,404</u>
Total Current Assets	<u>2,428,577</u>	<u>457,149</u>	<u>2,885,726</u>	<u>2,530,176</u>
Non-Current Assets				
Capital Assets, net	<u>16,613,100</u>	<u>8,154,848</u>	<u>24,767,948</u>	<u>25,206,615</u>
Total Non-Current Assets	<u>16,613,100</u>	<u>8,154,848</u>	<u>24,767,948</u>	<u>25,206,615</u>
TOTAL ASSETS	<u>19,041,677</u>	<u>8,611,997</u>	<u>27,653,674</u>	<u>27,736,791</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	<u>399,332</u>	<u>24,732</u>	<u>424,064</u>	<u>717,189</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>399,332</u>	<u>24,732</u>	<u>424,064</u>	<u>717,189</u>
LIABILITIES				
Accounts Payable	103,556	138,148	241,704	83,016
Accrued Liabilities	24,626	25,263	49,889	42,047
Due To Other Fund Types	14,907	-	14,907	1,422
Due To Other Governments	7,500	-	7,500	7,500
Due To ERS	174,602	10,527	185,129	185,129
Other Liabilities	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total Current Liabilities	<u>327,691</u>	<u>173,938</u>	<u>501,629</u>	<u>321,614</u>
Non-Current Liabilities				
Due Within One Year:				
Serial Bonds	178,716	247,635	426,351	477,486
Due Beyond One Year:				
Serial Bonds	338,477	4,449,020	4,787,497	5,213,847
Compensated Absences	78,360	6,170	84,530	81,231
Judgments And Claims	205,987	13,134	219,121	233,999
Net Pension Liability	401,818	25,621	427,439	195,123
Total Pension Liability	<u>100,916</u>	<u>-</u>	<u>100,916</u>	<u>108,612</u>
Total Non-Current Liabilities	<u>1,304,274</u>	<u>4,741,580</u>	<u>6,045,854</u>	<u>6,310,298</u>
TOTAL LIABILITIES	<u>1,631,965</u>	<u>4,915,518</u>	<u>6,547,483</u>	<u>6,631,912</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	<u>158,412</u>	<u>8,572</u>	<u>166,984</u>	<u>628,384</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>158,412</u>	<u>8,572</u>	<u>166,984</u>	<u>628,384</u>
NET POSITION				
Net Investment In Capital Assets	16,098,383	3,458,193	19,556,576	19,707,184
Restricted	144,817	-	144,817	142,199
Unrestricted	<u>1,407,432</u>	<u>254,446</u>	<u>1,661,878</u>	<u>1,344,301</u>
TOTAL NET POSITION	<u>\$ 17,650,632</u>	<u>\$ 3,712,639</u>	<u>\$ 21,363,271</u>	<u>\$ 21,193,684</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	2018 TOTAL
GOVERNMENTAL ACTIVITIES:	EXPENSES							
General Government Support	\$ 1,099,623	\$ 106,828	\$ 40,776	\$ -	\$ (952,019)		\$ (952,019)	\$ (917,282)
Public Safety	547,367	51,018	-	-	(496,349)		(496,349)	(489,103)
Health	107,816	-	-	-	(107,816)		(107,816)	(103,709)
Transportation	3,412,347	52,713	407,991	-	(2,951,643)		(2,951,643)	(3,055,930)
Economic Assistance And Opportunity	594	-	-	-	(594)		(594)	(626)
Culture And Recreation	410,495	75,224	15,250	-	(320,021)		(320,021)	(251,377)
Home And Community Services	200,333	71,381	-	-	(128,952)		(128,952)	(100,416)
Debt Service	17,131	-	-	-	(17,131)		(17,131)	(16,093)
TOTAL GOVERNMENTAL ACTIVITIES	5,795,706	357,164	464,017	-	(4,974,525)		(4,974,525)	(4,934,536)
BUSINESS TYPE ACTIVITIES:								
Sewer Districts	646,526	739,069	-	144,738		237,281	237,281	48,400
TOTAL BUSINESS TYPE ACTIVITIES	646,526	739,069	-	144,738		237,281	237,281	48,400
TOTAL FUNCTIONS AND PROGRAMS	6,442,232	1,096,233	464,017	144,738	(4,974,525)	237,281	(4,737,244)	(4,886,136)
GENERAL REVENUES								
Real Property Taxes					4,471,377	-	4,471,377	4,353,773
Other Tax Items					70,526	-	70,526	61,415
Non-Property Taxes					100,091	-	100,091	86,936
Investment Earnings					22,274	241	22,515	5,455
Sale Of Property And Compensation For Loss					4,146	-	4,146	13,475
Miscellaneous Local Sources					4,168	-	4,168	2,047
State Aid					234,008	-	234,008	172,143
TOTAL GENERAL REVENUES					4,906,590	241	4,906,831	4,695,244
CHANGE IN NET POSITION					(67,935)	237,522	169,587	(190,892)
TOTAL NET POSITION – Beginning Of Year					17,718,567	3,475,117	21,193,684	21,384,576
TOTAL NET POSITION – End Of Year					\$ 17,650,632	\$ 3,712,639	\$ 21,363,271	\$ 21,193,684

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2018 TOTAL</u>
<b>ASSETS</b>					
Cash	\$ 1,086,763	\$ 936,046	\$ 25,726	\$ 2,048,535	\$ 1,639,812
Cash - Restricted	135,637	6,704	2,476	144,817	334,001
Accounts Receivable	102,658	26,000	-	128,658	94,039
Due From Other Funds	-	15,298	-	15,298	19,476
Due From State and Federal	-	-	-	-	7,708
Due From Other Governments	25,865	-	-	25,865	60,358
Due From Related Parties	<u>65,404</u>	<u>-</u>	<u>-</u>	<u>65,404</u>	<u>73,404</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,416,327</u>	<u>\$ 984,048</u>	<u>\$ 28,202</u>	<u>\$ 2,428,577</u>	<u>\$ 2,228,798</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 28,756	\$ 72,585	\$ 2,215	\$ 103,556	\$ 63,610
Accrued Liabilities	4,055	19,439	-	23,494	13,494
Due To Other Funds	14,907	-	-	14,907	20,898
Due To Other Governments	7,500	-	-	7,500	7,500
Due To ERS	91,016	83,586	-	174,602	174,602
Other Liabilities	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
<b>TOTAL LIABILITIES</b>	<u>146,234</u>	<u>178,110</u>	<u>2,215</u>	<u>326,559</u>	<u>282,604</u>
<b>FUND BALANCES</b>					
Non-Spendable:					
Non-Current Receivables	55,404	-	-	55,404	63,404
Restricted:					
Capital Projects	-	-	2,476	2,476	191,802
Building	135,637	-	-	135,637	135,502
Equipment	-	6,704	-	6,704	6,697
Assigned:					
Appropriated	175,000	50,000	-	225,000	225,000
Unappropriated	-	749,234	23,511	772,745	595,534
Unassigned	<u>904,052</u>	<u>-</u>	<u>-</u>	<u>904,052</u>	<u>728,255</u>
<b>TOTAL FUND BALANCES</b>	<u>1,270,093</u>	<u>805,938</u>	<u>25,987</u>	<u>2,102,018</u>	<u>1,946,194</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,416,327</u>	<u>\$ 984,048</u>	<u>\$ 28,202</u>	<u>\$ 2,428,577</u>	<u>\$ 2,228,798</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
Total Fund Balance – Governmental Funds	\$ 2,102,018	\$ 1,946,194
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2019 are \$35,271,692 and \$18,658,592 respectively.	16,613,100	17,029,302
Long-term are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Serial Bonds	(517,193)	
Judgments And Claims	(205,987)	
Compensated Absences	<u>(78,360)</u>	(1,047,136)
	(801,540)	
The long-term assets and liabilities associated with participation in the Length of Service Award Program are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	11,464	
Deferred Inflows of Resources	(23,973)	
Total Pension Liability	<u>(100,916)</u>	(99,403)
	(113,425)	
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	387,868	
Deferred Inflows of Resources	(134,439)	
Net Pension Liability	<u>(401,818)</u>	(108,488)
	(148,389)	
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.	<u>(1,132)</u>	<u>(1,902)</u>
Net Position of Governmental Activities	<u>\$ 17,650,632</u>	<u>\$ 17,718,567</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF BETHEL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2018 TOTAL</u>
REVENUES					
Real Property Taxes	\$ 1,905,631	\$ 2,451,227	\$ 114,519	\$ 4,471,377	\$ 4,353,773
Other Tax Items	70,526	-	-	70,526	61,415
Non-Property Taxes	100,091	-	-	100,091	86,936
Departmental Income	196,215	-	-	196,215	192,104
Intergovernmental Charges	-	52,703	-	52,703	50,159
Use Of Money And Property	11,992	10,190	92	22,274	4,616
License And Permits	4,622	-	-	4,622	3,762
Fines And Forfeitures	101,175	-	-	101,175	127,256
Sale Of Property And Compensation For Loss	3,934	212	-	4,146	13,475
Miscellaneous Local Sources	51,975	4,168	-	56,143	36,753
State Aid	240,508	407,991	-	648,499	652,405
Federal Aid	-	-	-	-	46,246
TOTAL REVENUES	<u>2,686,669</u>	<u>2,926,491</u>	<u>114,611</u>	<u>5,727,771</u>	<u>5,628,900</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

(Continued)

	<u>GENERAL</u>	<u>HIGHWAY</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2018 TOTAL</u>
EXPENDITURES					
General Government Support	\$ 724,245	\$ -	\$ -	\$ 724,245	\$ 707,454
Public Safety	375,763	-	-	375,763	338,640
Health	1,009	-	92,019	93,028	91,304
Transportation	126,535	1,942,657	24,577	2,093,769	2,285,414
Economic Assistance And Opportunity	594	-	-	594	626
Culture And Recreation	285,075	-	-	285,075	290,323
Home And Community Services	152,861	-	-	152,861	128,274
Employees Benefits	762,249	626,765	-	1,389,014	1,386,810
Debt Service:					
Principal	72,980	161,735	-	234,715	255,917
Interest	1,824	16,077	-	17,901	16,620
Capital Outlay	<u>-</u>	<u>-</u>	<u>204,982</u>	<u>204,982</u>	<u>74,521</u>
TOTAL EXPENDITURES	<u>2,503,135</u>	<u>2,747,234</u>	<u>321,578</u>	<u>5,571,947</u>	<u>5,575,903</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>183,534</u>	<u>179,257</u>	<u>(206,967)</u>	<u>155,824</u>	<u>52,997</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	(15,602)	-	-	(15,602)	(36,663)
Operating Transfers In	-	-	15,602	15,602	36,663
Proceeds of Long Term Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,602)</u>	<u>-</u>	<u>15,602</u>	<u>-</u>	<u>194,000</u>
NET CHANGE IN FUND BALANCE	167,932	179,257	(191,365)	155,824	246,997
FUND BALANCES – Beginning Of Year	<u>1,102,161</u>	<u>626,681</u>	<u>217,352</u>	<u>1,946,194</u>	<u>1,699,197</u>
FUND BALANCES – End Of Year	<u>\$ 1,270,093</u>	<u>\$ 805,938</u>	<u>\$ 25,987</u>	<u>\$ 2,102,018</u>	<u>\$ 1,946,194</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

		<u>2019</u>	<u>2018</u>
Total Net Change in Fund Balances – Governmental Funds		\$ 155,824	\$ 246,997
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, on 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 outlays exceeded depreciation in the current fiscal year.			
Depreciation Expenses	(718,954)		
Capital Outlay	<u>302,752</u>	(416,202)	(563,449)
Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			
Serial Bonds		234,715	255,917
Proceeds of long-term debt are recorded as revenues in the governmental funds. In the statement of net position the proceeds increase long-term liabilities and there is no revenue reported in the statement of activities.			
Serial Bonds		-	(194,000)
In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).			
Judgments And Claims	14,505		
Compensated Absences	<u>(3,624)</u>	<u>10,881</u>	<u>26,367</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

(Continued)

		<u>2019</u>	<u>2018</u>
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Deferred Outflows Of Resources	\$ (277,006)		
Deferred Inflows Of Resources	452,727		
Net Pension Liability	<u>(215,622)</u>	(39,901)	(841)
(Increase) decreases in the total pension liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Deferred Outflows Of Resources	(3,144)		
Deferred Inflows Of Resources	(18,574)		
Total Pension Liability	<u>7,696</u>	(14,022)	(11,649)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.			
Current Year Accrued Interest	(1,132)		
Prior Year Accrued Interest	<u>1,902</u>	<u>770</u>	<u>527</u>
Change In Net Position of Governmental Activities		<u>\$ (67,935)</u>	<u>\$ (240,131)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31,

	BUSINESS TYPE ACTIVITIES – ENTERPRISE FUNDS	
	SEWER FUND	
ASSETS	2019	2018
Current Assets:		
Cash	\$ 284,577	\$ 237,514
Accounts Receivable	40,887	13,720
Rents Receivable	91,281	69,620
Due From State And Federal	<u>40,404</u>	<u>-</u>
Total Current Assets	<u>457,149</u>	<u>320,854</u>
Non-Current Assets:		
Capital Assets, net	<u>8,154,848</u>	<u>8,177,313</u>
Total Non-Current Assets	<u>8,154,848</u>	<u>8,177,313</u>
TOTAL ASSETS	<u>8,611,997</u>	<u>8,498,167</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	<u>24,732</u>	<u>37,707</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>24,732</u>	<u>37,707</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	138,148	19,406
Accrued Liabilities	25,263	26,651
Due To ERS	<u>10,527</u>	<u>10,527</u>
Total Current Liabilities	<u>173,938</u>	<u>56,584</u>
Long Term Liabilities:		
Bonds Payable	4,696,655	4,939,425
Compensated Absences	6,170	6,495
Judgments And Claims	13,134	13,507
Net Pension Liability	<u>25,621</u>	<u>8,927</u>
Total Long Term Liabilities	<u>4,741,580</u>	<u>4,968,354</u>
TOTAL LIABILITIES	<u>4,915,518</u>	<u>5,024,938</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>8,572</u>	<u>35,819</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,572</u>	<u>35,819</u>
NET POSITION		
Net Investment In Capital Assets	3,458,193	3,237,988
Unrestricted	<u>254,446</u>	<u>237,129</u>
TOTAL NET POSITION	<u>\$ 3,712,639</u>	<u>\$ 3,475,117</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEARS ENDED DECEMBER 31,

	BUSINESS TYPE ACTIVITIES – ENTERPRISE FUNDS	
	SEWER FUND	
	2019	2018
OPERATING REVENUES		
Charges For Services	\$ 685,426	\$ 630,023
Miscellaneous Local Sources	<u>53,643</u>	<u>47,706</u>
TOTAL OPERATING REVENUES	<u>739,069</u>	<u>677,729</u>
OPERATING EXPENSES		
General Government Support	11,261	11,269
Home And Community Services	<u>410,807</u>	<u>403,973</u>
TOTAL OPERATING EXPENSES	<u>422,068</u>	<u>415,242</u>
OPERATING INCOME (LOSS)	<u>317,001</u>	<u>262,487</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest On Investments	241	839
Capital Grant	144,738	-
Debt Service	(74,005)	(68,491)
Depreciation	<u>(150,453)</u>	<u>(145,596)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(79,479)</u>	<u>(213,248)</u>
CHANGE IN NET POSITION	237,522	49,239
NET POSITION – Beginning	<u>3,475,117</u>	<u>3,425,878</u>
NET POSITION – Ending	<u>\$ 3,712,639</u>	<u>\$ 3,475,117</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEARS ENDED DECEMBER 31,

BUSINESS TYPE ACTIVITIES –  
ENTERPRISE FUNDS

	<u>2019</u>	<u>2018</u>
	<u>SEWER FUND</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	\$ 690,241	\$ 687,197
Payments For Contractual and Personal Services	(321,603)	(345,672)
Payments For Employee Benefits	<u>(107,987)</u>	<u>(107,015)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>260,651</u>	<u>234,510</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest On Cash And Cash Equivalents	<u>241</u>	<u>839</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>241</u>	<u>839</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of Long Term Debt	-	274,932
Repayment Of Debt Principal	(242,770)	(216,770)
Payment Of Debt Interest	(75,393)	(67,544)
Purchase Of Fixed Assets	-	(421,810)
Proceeds Of Capital Grant	<u>104,334</u>	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(213,829)</u>	<u>(431,192)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	47,063	(195,843)
CASH AND EQUIVALENTS – Beginning	<u>237,514</u>	<u>433,357</u>
CASH AND EQUIVALENTS – Ending	<u>\$ 284,577</u>	<u>\$ 237,514</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 317,001	\$ 262,487
(Increase) Decrease In Receivables	(48,828)	9,468
(Increase) Decrease In Deferred Outflows of Resources	12,975	(10,339)
Increase (Decrease) In Accounts Payable	(9,246)	(38,787)
Increase (Decrease) In Compensated Absences	(325)	3,356
Increase (Decrease) In Judgments And Claims	(374)	(2,065)
Increase (Decrease) In Net Pension Liability	16,694	(20,309)
Increase (Decrease) In Deferred Inflows of Resources	<u>(27,246)</u>	<u>30,699</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 260,651</u>	<u>\$ 234,510</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2019

	PRIVATE PURPOSE <u>TRUST FUND</u>	CUSTODIAL <u>FUND</u>
ASSETS		
Cash And Cash Equivalents	\$ 8,843	\$ 151,049
Service Award Program Assets (Note 11)	-	94,174
Due From Governmental Funds	<u>-</u>	<u>14,907</u>
TOTAL ASSETS	<u>8,843</u>	<u>260,130</u>
LIABILITIES		
Due To Governmental Funds	<u>-</u>	<u>15,298</u>
TOTAL LIABILITIES	<u>-</u>	<u>15,298</u>
NET POSITION		
Restricted For Service Award Program	-	94,174
Restricted For Escrow Deposits	-	150,658
Restricted For Individualss	<u>8,843</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 8,843</u>	<u>\$ 244,832</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF BETHEL  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2019

	PRIVATE PURPOSE TRUST FUND	CUSTODIAL FUND
ADDITIONS		
Net Investment Income	\$ -	\$ 15,573
Miscellaneous Local Sources	3,195	-
Plan Contributions	-	6,303
Escrow Deposits	<u>-</u>	<u>47,446</u>
TOTAL ADDITIONS	<u>3,195</u>	<u>69,322</u>
DEDUCTIONS		
Administrative Expense	144	375
Escrow Disbursements	<u>-</u>	<u>43,859</u>
TOTAL DEDUCTIONS	<u>144</u>	<u>44,234</u>
Change in Net Position	3,051	25,088
NET POSITION – Beginning Of Year	<u>5,792</u>	<u>219,744</u>
NET POSITION – End Of Year	<u>\$ 8,843</u>	<u>\$ 244,832</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The Town of Bethel, New York, which was established in 1809, is governed by the Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations of the Town. The Supervisor serves as chief executive officer and the chief fiscal officer.

The Town provides the following basic services: general government support, public safety (police protection), health, transportation (street and highway maintenance), economic assistance and opportunity, culture and recreation, and home and community services, planning and zoning, general administration and public improvements. The Town also provides lighting, ambulatory, and sewer services to separate areas of the Town through special districts. These services are provided for in one lighting district, one ambulance district, and one sewer district.

All governmental activities and functions performed by the Town of Bethel, New York, are its direct responsibility. The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Certain organizations have been excluded from the reporting entity for the following reasons:

The financial activities of the Fire Districts are not included in the Town's reporting entity because the furnishing of fire protection in the Town is the responsibility of the fire commissioners who constitute the governing board of each district. The fire commissioners are elected by the qualified voters living within each district. Fire district operations, including the financing thereof through real property taxation, are carried out at the direction of the fire commissioners, and the Town has no managerial oversight or fiscal responsibility.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain collection activities of the Town Clerk and Town Justice Officers are not included in the Town's reporting entity as prescribed by the Office of the State Comptroller. These collection activities include fees, fines and bail monies which are not recorded by the Town until remitted by the respective elected officials to the State of New York and returned to the Town.

**B. Basis of Presentation**

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole. These statements include the financial activities of the overall Town, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants. Business types activities are financed by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major Governmental Funds:

a. *General Fund*

The General Fund is the principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

b. *Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following:

1. Highway Fund – used to account for revenues and expenditures for highway purposes in accordance with Highway Law.

The Town reports the following non-major Governmental Funds:

a. *Special Revenue Funds*

1. Special Districts Funds – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Town reports the following Special District Funds:

- i. Lighting District
- ii. Ambulance District

b. *Capital Projects Fund*

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major Proprietary Fund:

a. *Enterprise Fund*

This fund accounts for all revenues and expenses pertaining to the Sewer Fund, which is financed and operated in a manner similar to private business enterprises

Additionally, the Town reports the following fund type:

a. *Fiduciary Fund*

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

C. **Basis of Accounting/Measurement Focus**

The Town-wide, Proprietary and Fiduciary Fund 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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Property Taxes**

County real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to April 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Towns.

**E. Budgetary Data**

1. Budget Policies - The budget policies are as follows:

- a. No later than September 30, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board. However, the Supervisor is authorized to transfer certain budgeted amounts within departments.
- d. Budgetary controls are established for the capital project funds through resolutions authorizing individual projects which remain in effect for the life of the project.
- e. Budget amounts included in the report for General and Special Revenue Funds have been amended and approved by the Town Board.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Encumbrances

Encumbrances 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 the governmental funds. Open encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

F. Cash and Cash Equivalents

For the statement of cash flows, the Town considers all highly liquid investments of three months or less as cash equivalents.

G. 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 be immaterial.

H. Capital Assets

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Infrastructure	75
Buildings	50
Site Improvements	20
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

I. **Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for deferred revenues is removed and revenues are recognized.

J. **Compensatory Absences**

The Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

For the Town-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and Town-wide presentations.

K. **Post Employment Benefits**

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors.



TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the year, \$365,161 was paid on behalf of 32 retirees and recorded as an expenditure in the General, Highway and Sewer funds.

L. **Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

M. **Equity Classifications**

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

In the fund basis statements there are five classifications of fund balance:

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town had non-spendable fund balances related to non-current receivables of \$55,404 in the General Fund and \$83,281 in the Sewer Fund as of December 31, 2019.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The Town has established the following restricted fund balances:

Capital

Used to finance all or part of the cost of construction, reconstruction or acquisition of capital improvements and/or equipment. Permissive referendum is required for either establishment of or payments from the reserve, depending on which type of capital reserve is set up. These reserves are accounted for in the General and Highway Funds.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town had no committed fund balances as of December 31, 2019.

Assigned – includes 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 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. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. Insurance

The Town of Bethel participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Town's estimated share of the liability for unbilled and open claims at December 31, 2019 was \$219,121.

P. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2019, the Town implemented the following new standards:

GASB 83 – *Certain Asset Retirement Obligations*

GASB 84 – *Fiduciary Activities*

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period* (Early implementation)

GASB 90 – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Q. Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 87 – *Leases*, effective for the year ending December 31, 2020.

GASB 91 – *Conduit Debt Obligations*, effective for the year ending December 31, 2021.

GASB 92 – *Omnibus 2020*, effective for the year ending December 31, 2021.

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

**R. Operating Revenues of Proprietary Funds**

Revenues generated through user fees and grant revenues to cover the annual operating expenses of the proprietary funds are classified as operating revenues. Investment income, grant income for capital purposes and/or the proceeds from the sale of assets are classified as non-operating revenues.

**S. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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 total pension liability and proportion of the collective net pension asset or liability, and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the benefit payments and expenses related to the Town's LOSAP and the Town contributions to the pension systems subsequent to the measurement date. The Town reports \$424,064 in deferred outflows of resources related to pensions as of December 31, 2019.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category, which 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 total pension liability and proportion of the collective net pension liability and difference during the measurement periods between the benefit payments and expenses related to the Town's LOSAP and the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The Town reports \$166,984 in deferred inflows of resources related to pensions as of December 31, 2019.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$257,080 to unrestricted net position as of December 31, 2019.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Fund Balance**

The Capital Projects Fund had a deficit unassigned fund balance of \$82,784 at December 31, 2019. The deficit was caused by project expenditures in excess of available financing, and will be eliminated when the operating funds responsible for the projects provide the additional funding.

**NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND TOWN-WIDE STATEMENT**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, 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 differs from "net position" of governmental activities reported in the Statement of Net Position. The 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 BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND TOWN-WIDE STATEMENT (Continued)

**B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

1. Long-term revenue differences:

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

2. Capital related differences:

Capital related differences include the differences 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.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, 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.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 4 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2019 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not depreciated:				
Land	\$ 362,343	\$ -	\$ -	\$ 362,343
Total non-depreciable historical cost	<u>362,343</u>	<u>-</u>	<u>-</u>	<u>362,343</u>
Capital assets that are depreciated:				
Infrastructure	29,838,079	-	-	29,838,079
Building and Improvements	1,331,089	15,602	-	1,346,691
Machinery and Equipment	<u>3,529,748</u>	<u>287,150</u>	<u>92,319</u>	<u>3,724,579</u>
Total depreciable historical cost	<u>34,698,916</u>	<u>302,752</u>	<u>92,319</u>	<u>34,909,349</u>
Less accumulated depreciation:				
Infrastructure	15,280,133	397,794	-	15,677,927
Building and Improvements	679,542	32,521	-	712,063
Machinery and Equipment	<u>2,072,282</u>	<u>288,639</u>	<u>92,319</u>	<u>2,268,602</u>
Total Accumulated Depreciation	<u>18,031,957</u>	<u>718,954</u>	<u>92,319</u>	<u>18,658,592</u>
Total historical cost, net	<u>\$ 17,029,302</u>	<u>\$ (416,202)</u>	<u>\$ -</u>	<u>\$ 16,613,100</u>
Depreciation expense was charged to Governmental functions as follows:				
General Government Support		\$ 17,920		
Public Safety		19,571		
Transportation		660,617		
Culture and Recreation		16,171		
Home and Community Services		<u>4,675</u>		
		<u>\$ 718,954</u>		

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 4 – CAPITAL ASSETS (Continued)

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
BUSINESS TYPE ACTIVITIES:				
Capital assets that are not depreciated:				
Land	\$ 250,162	\$ -	\$ -	\$ 250,162
Construction In Progress	<u>-</u>	<u>127,988</u>	<u>-</u>	<u>127,988</u>
Total non-depreciable historical cost	<u>250,162</u>	<u>127,988</u>	<u>-</u>	<u>378,150</u>
Capital assets that are depreciated:				
Infrastructure	8,483,769	-	-	8,483,769
Building and Improvements	1,458,604	-	-	1,458,604
Machinery and Equipment	<u>83,739</u>	<u>-</u>	<u>-</u>	<u>83,739</u>
Total depreciable historical cost	<u>10,026,112</u>	<u>-</u>	<u>-</u>	<u>10,026,112</u>
Less accumulated depreciation:				
Infrastructure	1,167,365	113,117	-	1,280,482
Building and Improvements	885,375	32,650	-	918,025
Machinery and Equipment	<u>46,121</u>	<u>4,786</u>	<u>-</u>	<u>50,907</u>
Total Accumulated Depreciation	<u>2,098,861</u>	<u>150,553</u>	<u>-</u>	<u>2,249,414</u>
Total historical cost, net	<u>\$ 8,177,413</u>	<u>\$ (22,565)</u>	<u>\$ -</u>	<u>\$ 8,154,848</u>

NOTE 5 – CASH AND INVESTMENTS

The Town of Bethel investment policies are governed by State statutes. In addition the Town has its own written investment policy. Town of Bethel 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.

Collateral is required for time 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 New York State and states other than New York and their municipalities and schools.



TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 5 – CASH AND INVESTMENTS (Continued)

Repurchase agreements are required to be purchased from banks located within the state and the underlying securities must be obligations of the Federal Government. Underlying securities must have a market value of at least 100 percent of the cost of the repurchase agreement.

The Town's aggregate cash balances include the following balances not covered by depository insurance at year end:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the Town's name.	<u>\$ 2,155,926</u>
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NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2019 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ -	\$ 14,907	\$ -	\$ 15,602
Highway Fund	15,298	-	-	-
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>15,602</u>	<u>-</u>
Total Governmental Funds	<u>15,298</u>	<u>14,907</u>	<u>15,602</u>	<u>15,602</u>
Custodial Fund	<u>14,907</u>	<u>15,298</u>	<u>-</u>	<u>-</u>
Total Fiduciary Funds	<u>14,907</u>	<u>15,298</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 30,205</u>	<u>\$ 30,205</u>	<u>\$ 15,602</u>	<u>\$ 15,602</u>

Interfund receivables and payables, other than between governmental activities, business type activities and fiduciary funds, are eliminated on the Statement of Net Position. The Town transfers funds to the Capital Project Fund to finance ongoing capital projects. In addition, the Town typically loans resources between funds for the purpose of relieving cash flow issues.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 7 - LIABILITIES

A. Pension Plan

1. Plan Description

The Town of Bethel, New York participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

2. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership. Employees who joined the Systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2019	\$ 253,243
2018	247,663
2017	244,231

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

**B. Indebtedness**

1. Long-Term Debt

Serial Bonds

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

The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt

In addition to the above long-term debt the local government had the following non-current liabilities:

Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.

Judgments and Claims – Represents the Town's outstanding liability related to the workers' compensation risk sharing pool. (See Note 1-O)

Total Pension Liability – Represents the Town's liability related to its LOSAP.

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 93,294
Less: Interest Accrued in the Prior Year	(28,553)
Plus: Interest Accrued in the Current Year	<u>26,395</u>
Total Expense	<u>\$ 91,136</u>

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

Changes

The changes in the Town's indebtedness during the year ended December 31, 2019 are summarized as follows:

	BALANCE <u>01/01/19</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE <u>12/31/19</u>	AMOUNTS DUE WITHIN <u>ONE YEAR</u>
Serial Bonds – Direct Placements and Direct Borrowings	\$ 751,908	\$ -	\$ 234,715	\$ 517,193	\$ 178,716
Compensated Absences	74,736	3,624	-	78,360	-
Judgments and Claims	220,492	-	14,505	205,987	-
Total Pension Liability	<u>108,612</u>	<u>-</u>	<u>7,696</u>	<u>100,916</u>	<u>-</u>
Total Governmental	<u>\$ 1,155,748</u>	<u>\$ 3,624</u>	<u>\$ 256,919</u>	<u>\$ 902,456</u>	<u>\$ 178,716</u>
Serial Bonds – General Obligations	\$ 1,830,000	\$ -	\$ 115,000	\$ 1,715,000	\$ 120,000
Serial Bonds – Direct Placements and Direct Borrowings	3,109,425	-	127,770	2,981,655	127,635
Compensated Absences	6,495	-	325	6,170	-
Judgments and Claims	<u>13,507</u>	<u>-</u>	<u>373</u>	<u>13,134</u>	<u>-</u>
Total Business Type	<u>\$ 4,959,427</u>	<u>\$ -</u>	<u>\$ 243,468</u>	<u>\$ 4,715,959</u>	<u>\$ 247,635</u>

Additions and deletions to compensated absences and judgments and claims are shown net since it is impractical to determine those amounts separately.

Maturity

The following is a summary of maturity of indebtedness:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 12/31/19</u>
Highway Equipment	2018	2023	3.39%	\$ 155,200
Police/Highway/Landfill Vehicles	2016	2021	2.17%	115,501
Highway Vehicles	2017	2022	2.09%	<u>246,492</u>
Total Governmental Activities				<u>517,193</u>
Sewer Extension	2011	2031	2.25%-4.00%	1,715,000
Sewer Rehab	2016	2046	0%	2,747,655
Sewer Improvements	2018	2028	3.74%	<u>234,000</u>
Total Business Type Activities				<u>4,696,655</u>
TOTAL BONDS				<u>\$ 5,213,848</u>

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

The following is a summary of maturing debt service requirements.

<u>YEAR</u>	<u>GENERAL OBLIGATIONS</u>		<u>DIRECT PLACEMENTS AND DIRECT BORROWINGS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	\$ 120,000	\$ 62,506	\$ 306,351	\$ 21,672
2021	125,000	58,906	306,485	16,413
2022	130,000	55,156	248,732	10,528
2023	130,000	51,094	166,570	7,149
2024	135,000	46,868	127,770	4,862
2025-2029	730,000	157,794	612,850	9,724
2030-2034	345,000	20,800	508,850	-
2035-2039	-	-	508,850	-
2040-2044	-	-	508,850	-
2045-2046	-	-	203,540	-
TOTAL	<u>\$ 1,715,000</u>	<u>\$ 453,124</u>	<u>\$ 3,498,848</u>	<u>\$ 70,348</u>

2. Short-Term Debt

Bond Anticipation Notes

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

The Town had no short term debt activity for the year ended December 31, 2019.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. Litigation

Litigation has been brought against the Town by individuals seeking monetary damages for various different incidents. The Town's attorneys are vigorously contesting the cases. However, if settled unfavorably the damages may be material to the financial statements. The outcomes cannot be reasonably estimated at this time.

B. Federal And State Grants

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

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 9 – NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets, Net	\$ 16,613,100	\$ 8,154,848
Less: Bonds Payable	(517,193)	(4,696,655)
Plus: Unspent Debt Proceeds	<u>2,476</u>	<u>-</u>
	<u>\$ 16,098,383</u>	<u>\$ 3,458,193</u>

NOTE 10 – OPERATING LEASE

The Town entered into an agreement with the Monticello Central School District to lease space in the Cornelius Duggan Elementary School building. The lease runs from July 1, 2015 through June 30, 2020 at a rate of \$15,000 annually, payable in equal monthly installments. The annual lease includes a credit of \$3,000 for the Monticello Central School District's pro-rata share of water and sewer charges, and an additional \$1,167 for the lease of additional space during the summer months.

Minimum required net payments for the lease are as follows:

<u>YEAR ENDED</u>	
2020	\$ <u>6,000</u>
Total	\$ <u>6,000</u>

NOTE 11 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

The Town of Bethel, New York established a defined benefit LOSAP for the active members of the Bethel Volunteer Ambulance Corps., Inc. The program took effect on January 1, 2009. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer ambulance workers. The Town of Bethel, New York is the sponsor of the program.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 11 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Participation, vesting and service credit

Active volunteer ambulance workers are eligible to participate in the program. Participants are 100% vested after being credited with 5 years of service or upon a finding of total and permanent disability. The program's entitlement age is 65. A participant may also receive credit for 5 years of service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of service. The number of years of service used to compute the benefit cannot exceed forty.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by the Bethel Volunteer Ambulance Corps. The ambulance corps. must maintain all required records on forms prescribed by the governing board. The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Town of Bethel, New York.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated January 1, 2009, and the trustee is the Town Board of the Town of Bethel, New York. Authority to invest program assets is vested in the trustees. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc.

Participants Covered

At the December 31, 2018 measurement date, the following participants were covered by the benefit terms:

Active	9
Inactive entitled but not yet receiving benefits	1
Inactive receiving benefits	<u>0</u>
Total	<u>10</u>

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 11 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Contributions

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

MEASUREMENT OF TOTAL PENSION LIABILITY

The Town's total pension liability was measured as of December 31, 2018 using an actuarial valuation date of December 31, 2018.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Not Applicable
Discount Rate	3.64%, S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018
Mortality	RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2020 with scale MP2017

Trust Assets

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

CHANGES IN THE TOTAL PENSION LIABILITY

Balance at 12/31/17 measurement date		\$ 108,612
Service Cost	8,194	
Interest	3,691	
Changes of Assumptions or Other Inputs	(11,619)	
Differences between expected and actual experience	(7,962)	
Benefit payments	<u>-</u>	
Net Changes		<u>(7,696)</u>
Balance at 12/31/18 measurement date		<u>\$ 100,916</u>



TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 11 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

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

The following presents the Town's total pension liability calculated using the current discount rate of 3.64%, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16%) or 1-percentage point higher (4.16%) than the current rate:

	1% Decrease (2.64%)	Current Assumption (3.64%)	1% Increase (4.64%)
Total Pension Liability	\$ 126,655	\$ 100,916	\$ 80,528

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2019, the Town recognized pension expense of \$11,372. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 12,819
Changes of assumptions or other inputs	11,464	11,154
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	<u>\$ 11,464</u>	<u>\$ 23,973</u>

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2020.

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

2020	\$ (512)
2021	(512)
2022	(512)
2023	(512)
2024	(512)
Thereafter	<u>(9,949)</u>
TOTAL	<u>\$ (12,509)</u>

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 11 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

PROGRAM NET ASSETS

Receipts and Disbursements

Plan Net Assets, Beginning of Year		\$ 72,673
Changes during the year:		
Plan Contributions	6,303	
Net Investment income	15,573	
Plan Benefit Withdrawals	-	
Administrative and Other Fees/Charges	<u>(375)</u>	
Plan Net Assets, End of Year		<u>\$ 94,174</u>

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) are included in Note 7-A to the financial statements.

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

At December 31, 2019, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2019. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation.

The Town's proportion of the net pension asset/(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 ERS System in reports provided to the Town.

Actuarial valuation date	<u>ERS</u> April 1, 2018
Net pension asset/(liability)	\$ (427,439)
Town's portion of the Plan's total net pension asset/(liability)	0.0060327%

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For the year ended December 31, 2019, the Town recognized pension expense of \$295,566 for ERS. At December 31, 2019, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,172	\$ 28,693
Changes of assumptions	107,441	-
Net difference between projected and actual earnings on pension plan investments	-	109,704
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	35,858	4,614
Town's contributions subsequent to the measurement date	<u>185,129</u>	<u>-</u>
Total	<u>\$ 412,600</u>	<u>\$ 143,011</u>

Town contributions subsequent to the measurement date of \$185,129 will be recognized as a reduction of the net pension liability in the year December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
2020	\$ 101,754
2021	(77,741)
2022	(411)
2023	60,858
2024	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 84,460</u>

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

The total pension liability as of the measurement date was measured 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 valuations used the following significant actuarial assumptions:

	<u>ERS</u>
Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Interest rate	7.0%
Salary scale	3.8%
Decrement tables	April 1, 2010-March 31, 2015
	System's Experience
Inflation rate	2.5%

The annuitant mortality rates are based on April 1, 2010-March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. The actuarial assumptions used in the April 1, 2018 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>
Measurement date	March 31, 2019
Asset Type:	
Domestic Equity	4.55%
International Equity	6.35
Real Estate	5.55
Alternative Investments	3.75 - 5.68
Mortgages	1.31
Short-term	1.50
Private Equities	7.50

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.00% for ERS. 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00% for ERS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

<u>ERS</u>	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ <u>(1,868,830)</u>	\$ <u>(427,439)</u>	\$ <u>783,432</u>

Pension Plan Fiduciary Net Position

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

	<u>ERS (in thousands)</u>
Valuation date	April 1, 2018
Employers' total pension liability	\$ (189,803,429)
Plan Net Position	<u>182,718,124</u>
Employer's net pension asset/(liability)	\$ <u>(7,085,305)</u>
Ration of plan net position to the Employer's total pension asset/(liability)	96.27%

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 12 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2019 represent the projected employer contribution for the period of April 1 through December 31 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2019 amounted to \$185,129.

NOTE 13 – RELATED PARTY TRANSACTIONS

The Town of Bethel has control over the appointment of board members to the Bethel Local Development Corp. (BLDC). However, due to the criteria included in Governmental Accounting Standards Board Statement No. 61, the BLDC is no longer reported as a component unit since there is no financial benefit or burden on the Town as a result of the relationship.

During the year ended December 31, 2014, the Town purchased a parcel of land from the Bethel Local Development Corporation to be used for sand and gravel mining. In addition to the purchase price, the Town of Bethel will pay a commission to the Bethel Local Development Corporation for all sand and gravel extracted from the parcel. The annual commission of \$15,000, which was paid in May 2019, may be revised upon the mutual consent of both parties.

During the course of the year the Town loans money to the BLDC to fund various projects until money can be raised through grants or other sources to repay the Town. As of December 31, 2019 the Town has outstanding loans with the BLDC for the following purposes:

Smallwood Golf Course	\$ 23,844
Community Events	16,047
Operating Funds	<u>25,513</u>
Total	<u>\$ 65,404</u>

The total amount, which was reduced by \$8,000 in the current fiscal year, is included in the General Fund financial statements.

NOTE 14 – TAX ABATEMENTS

The Town is subject to tax abatement agreements entered into by the County of Sullivan Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended December 31, 2019, the Town received \$31,555 in tax abatement payments under these programs. These transactions resulted in abated property taxes totaling \$211,285.

TOWN OF BETHEL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 15 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2019 and April 8, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

TOWN OF BETHEL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 1,905,631	\$ 1,905,631	\$ 1,905,631	\$ -	\$ 1,845,205
Other Tax Items	54,849	54,849	70,526	15,677	61,415
Non-Property Tax Items	63,000	63,000	100,091	37,091	86,936
Departmental Income	149,000	149,000	196,215	47,215	192,104
Use Of Money And Property	1,000	1,000	11,992	10,992	1,978
Licenses And Permits	3,200	3,200	4,622	1,422	3,762
Fines And Forfeitures	61,000	61,000	101,175	40,175	127,256
Sale Of Property And Compensation For Loss	1,000	1,000	3,934	2,934	11,025
Miscellaneous Local Sources	15,500	15,500	51,975	36,475	36,753
State Aid	<u>129,000</u>	<u>129,000</u>	<u>240,508</u>	<u>111,508</u>	<u>192,267</u>
TOTAL REVENUES	<u>2,383,180</u>	<u>2,383,180</u>	<u>2,686,669</u>	<u>303,489</u>	<u>2,558,701</u>
EXPENDITURES					
General Government Support	761,628	741,499	724,245	17,254	707,454
Public Safety	361,915	391,488	375,763	15,725	338,640
Health	2,009	2,009	1,009	1,000	1,009
Transportation	134,098	134,098	126,535	7,563	128,802
Economic Assistance And Opportunity	775	775	594	181	626
Culture And Recreation	231,565	282,868	285,075	(2,207)	290,323
Home And Community Services	152,184	152,184	152,861	(677)	128,274
Employee Benefits	838,089	761,740	762,249	(509)	777,647
Debt Service:					
Principal	72,980	72,980	72,980	-	72,980
Interest	<u>2,937</u>	<u>2,937</u>	<u>1,824</u>	<u>1,113</u>	<u>3,181</u>
TOTAL EXPENDITURES	<u>2,558,180</u>	<u>2,542,578</u>	<u>2,503,135</u>	<u>39,443</u>	<u>2,448,936</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175,000)	(159,398)	183,534	342,932	109,765
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	5,285
Operating Transfers Out	<u>-</u>	<u>(15,602)</u>	<u>(15,602)</u>	<u>-</u>	<u>(31,378)</u>
NET CHANGE IN FUND BALANCE	(175,000)	(175,000)	167,932	342,932	83,672
FUND BALANCE – Beginning Of Year (Restated)	<u>175,000</u>	<u>175,000</u>	<u>1,102,161</u>	<u>927,161</u>	<u>1,018,489</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,093</u>	<u>\$ 1,270,093</u>	<u>\$ 1,102,161</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF BETHEL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
HIGHWAY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,451,227	\$ 2,451,227	\$ 2,451,227	\$ -	\$ 2,395,773
Intergovernmental Charges	43,000	43,000	52,703	9,703	50,159
Use Of Money And Property	1,000	1,000	10,190	9,190	2,541
Sale Of Property And Compensation For Loss	750	750	212	(538)	2,450
Miscellaneous Local Sources	-	-	4,168	4,168	-
State Aid	300,000	407,991	407,991	-	456,208
Federal Aid	-	-	-	-	46,246
TOTAL REVENUES	<u>2,795,977</u>	<u>2,903,968</u>	<u>2,926,491</u>	<u>22,523</u>	<u>2,953,377</u>
EXPENDITURES					
Transportation	2,011,859	2,118,893	1,942,657	172,236	2,130,713
Employee Benefits	657,682	658,639	626,765	31,874	609,163
Debt Service:					
Principal	162,935	162,935	161,735	1,200	182,937
Interest	<u>13,501</u>	<u>13,501</u>	<u>16,077</u>	<u>(2,576)</u>	<u>13,439</u>
TOTAL EXPENDITURES	<u>2,845,977</u>	<u>2,953,968</u>	<u>2,747,234</u>	<u>206,734</u>	<u>2,936,252</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,000)	(50,000)	179,257	229,257	17,125
FUND BALANCE – Beginning Of Year	<u>50,000</u>	<u>50,000</u>	<u>626,681</u>	<u>576,681</u>	<u>609,556</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,938</u>	<u>\$ 805,938</u>	<u>\$ 626,681</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
SPECIAL DISTRICTS FUND – KAUNEONGA LAKE SEWER DISTRICT  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Departmental Income	\$ 427,631	\$ 427,631	\$ 448,406	\$ 20,775	\$ 395,298
Use Of Money And Property	200	200	83	(117)	647
Miscellaneous Local Sources	55,000	55,000	53,643	(1,357)	47,706
Interfund Revenues	<u>55,493</u>	<u>55,493</u>	<u>56,132</u>	<u>639</u>	<u>51,320</u>
TOTAL REVENUES	<u>538,324</u>	<u>538,324</u>	<u>558,264</u>	<u>19,940</u>	<u>494,971</u>
EXPENDITURES					
General Government Support	12,157	12,157	11,261	896	11,269
Home And Community Services	291,879	291,879	301,096	(9,217)	673,523
Employee Benefits	116,883	116,883	107,987	8,896	107,015
Debt Service:					
Principal	160,646	160,646	127,770	32,876	86,838
Interest	<u>9,724</u>	<u>9,724</u>	<u>9,724</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>591,289</u>	<u>591,289</u>	<u>557,838</u>	<u>33,451</u>	<u>878,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(52,965)	(52,965)	426	53,391	(383,674)
OTHER FINANCING SOURCES					
Proceeds Of Long Term Debt	-	-	-	-	260,000
Operating Transfers In	<u>-</u>	<u>-</u>	<u>16,750</u>	<u>16,750</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(52,965)	(52,965)	17,176	70,141	(123,674)
FUND BALANCE – Beginning Of Year	<u>52,965</u>	<u>52,965</u>	<u>157,344</u>	<u>104,379</u>	<u>281,018</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,520</u>	<u>\$ 174,520</u>	<u>\$ 157,344</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL  
SPECIAL DISTRICTS FUND – KAUNEONGA LAKE SEWER EXTENSION DISTRICT  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Departmental Income	\$ 236,162	\$ 236,162	\$ 237,020	\$ 858	\$ 234,725
Use Of Money And Property	<u>-</u>	<u>-</u>	<u>158</u>	<u>158</u>	<u>192</u>
TOTAL REVENUES	<u>236,162</u>	<u>236,162</u>	<u>237,178</u>	<u>1,016</u>	<u>234,917</u>
EXPENDITURES					
Home And Community Services	55,493	55,493	56,132	(639)	95,223
Debt Service:					
Principal	115,000	115,000	115,000	-	115,000
Interest	<u>65,669</u>	<u>65,669</u>	<u>65,669</u>	<u>-</u>	<u>67,544</u>
TOTAL EXPENDITURES	<u>236,162</u>	<u>236,162</u>	<u>236,801</u>	<u>(639)</u>	<u>277,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	377	377	(42,850)
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>-</u>	<u>216,361</u>	<u>216,361</u>	<u>259,211</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,378</u>	<u>\$ 216,378</u>	<u>\$ 216,361</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
YEAR ENDED DECEMBER 31, 2019

ERS System - Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0060327%	0.0060457%	0.0058210%	0.0060696%	0.005808%
The Town's proportionate share of the net pension liability	\$ 427,439	\$ 195,123	\$ 546,953	\$ 974,191	\$ 196,207
The Town's covered employee payroll	1,800,608	1,730,842	1,585,961	1,594,098	\$ 1,497,665
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	23.73%	11.27%	34.49%	61.11%	13.10%
Plan Fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.7%	90.7%	97.90%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION  
YEAR ENDED DECEMBER 31, 2019

ERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 253,243	\$ 247,663	\$ 244,231	\$ 248,001	\$ 291,616	\$ 288,386	\$ 272,865	\$ 273,444	\$ 198,555	\$ 145,327
Contribution in relation to the contractually required contribution	<u>253,243</u>	<u>247,663</u>	<u>244,231</u>	<u>248,001</u>	<u>291,616</u>	<u>288,386</u>	<u>272,865</u>	<u>273,444</u>	<u>198,555</u>	<u>145,327</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	14.13%	14.31%	14.11%	15.64%	18.29%	19.26%	N/A	N/A	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY  
YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Service Cost	\$ 8,194	\$ 7,751
Interest	3,691	3,641
Changes of Assumptions or other inputs	(11,619)	12,453
Differences between expected and actual experience	(7,962)	(5,622)
Benefit payments and expenses	<u>-</u>	<u>-</u>
Net Changes	(7,696)	18,223
Beginning Total Pension Liability	<u>108,612</u>	<u>90,389</u>
Ending Total Pension Liability	<u>\$ 100,916</u>	<u>\$ 108,612</u>
Covered Employee Payroll	N/A	N/A
Total Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019

Trust Assets

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

Changes of Assumptions or Other Inputs

Mortality

The mortality projection scale changed from the MP2016 scale at the December 31, 2016 measurement date to MP2017 at the December 31, 2017 measurement date.

Discount Rate

The discount rate changed from 3.16% at the December 31, 2017 measurement date to 3.64% at the December 31, 2018 measurement date.

TOWN OF BETHEL, NEW YORK  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
ASSETS				
Cash	\$ 25,452	\$ -	\$ 274	\$ 25,726
Cash - Restricted	<u>-</u>	<u>-</u>	<u>2,476</u>	<u>2,476</u>
TOTAL ASSETS	<u>\$ 25,452</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 28,202</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215</u>
TOTAL LIABILITIES	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>2,215</u>
FUND BALANCES				
Restricted	-	-	2,476	2,476
Assigned:				
Unappropriated	<u>23,237</u>	<u>-</u>	<u>274</u>	<u>23,511</u>
TOTAL FUND BALANCES	<u>23,237</u>	<u>-</u>	<u>2,750</u>	<u>25,987</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,452</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 28,202</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF BETHEL, NEW YORK  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR-ENDED DECEMBER 31, 2019

	<u>LIGHTING</u>	<u>AMBULANCE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES				
Real Property Taxes	\$ 22,500	\$ 92,019	\$ -	\$ 114,519
Use Of Money And Property	<u>38</u>	<u>-</u>	<u>54</u>	<u>92</u>
TOTAL REVENUES	<u>22,538</u>	<u>92,019</u>	<u>54</u>	<u>114,611</u>
EXPENDITURES				
Health	-	92,019	-	92,019
Transportation	24,577	-	-	24,577
Capital Outlay	<u>-</u>	<u>-</u>	<u>204,982</u>	<u>204,982</u>
TOTAL EXPENDITURES	<u>24,577</u>	<u>92,019</u>	<u>204,982</u>	<u>321,578</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,039)	-	(204,928)	(206,967)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>15,602</u>	<u>15,602</u>
NET CHANGE IN FUND BALANCE	(2,039)	-	(189,326)	(191,365)
FUND BALANCE--Beginning Of Year	<u>25,276</u>	<u>-</u>	<u>192,076</u>	<u>217,352</u>
FUND BALANCE-End Of Year	<u>\$ 23,237</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 25,987</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 1,086,763	\$ 855,312
Cash - Restricted	135,637	135,502
Accounts Receivable	102,658	94,039
Due From Other Funds	-	19,476
Due From Other Governments	25,865	60,358
Due From Related Parties	<u>65,404</u>	<u>73,404</u>
TOTAL ASSETS	<u>\$ 1,416,327</u>	<u>\$ 1,238,091</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 28,756	\$ 31,937
Accrued Liabilities	4,055	4,055
Due To Other Funds	14,907	1,422
Due To Other Governments	7,500	7,500
Due To ERS	<u>91,016</u>	<u>91,016</u>
TOTAL LIABILITIES	<u>146,234</u>	<u>135,930</u>
FUND BALANCES		
Non-Spendable:		
Non-Current Receivables	55,404	63,404
Restricted:		
Building	135,637	135,502
Assigned:		
Appropriated	175,000	175,000
Unassigned	<u>904,052</u>	<u>728,255</u>
TOTAL FUND BALANCES	<u>1,270,093</u>	<u>1,102,161</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,416,327</u>	<u>\$ 1,238,091</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
HIGHWAY FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 936,046	\$ 737,172
Cash - Restricted	6,704	6,697
Accounts Receivable	26,000	-
Due From State And Federal	-	7,708
Due From Other Funds	<u>15,298</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 984,048</u>	<u>\$ 751,577</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 72,585	\$ 29,371
Accrued Liabilities	19,439	9,439
Due To ERS	83,586	83,586
Other Liabilities	<u>2,500</u>	<u>2,500</u>
TOTAL LIABILITIES	<u>178,110</u>	<u>124,896</u>
FUND BALANCE		
Restricted:		
Equipment	6,704	6,697
Assigned:		
Appropriated	50,000	50,000
Unappropriated	<u>749,234</u>	<u>569,984</u>
TOTAL FUND BALANCE	<u>805,938</u>	<u>626,681</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 984,08</u>	<u>\$ 751,577</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
SPECIAL DISTRICTS FUND – LIGHTING DISTRICT  
COMPARATIVE BALANCE SHEET  
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ <u>25,452</u>	\$ <u>27,578</u>
TOTAL ASSETS	<u>\$ 25,452</u>	<u>\$ 27,578</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ <u>2,215</u>	\$ <u>2,302</u>
TOTAL LIABILITIES	<u>2,215</u>	<u>2,302</u>
FUND BALANCE		
Assigned:		
Unappropriated	<u>23,237</u>	<u>25,276</u>
TOTAL FUND BALANCE	<u>23,237</u>	<u>25,276</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,452</u>	<u>\$ 27,578</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
SPECIAL DISTRICTS FUND – LIGHTING DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 22,500	\$ 22,500	\$ -	\$ 22,500
Use Of Money And Property	<u>-</u>	<u>38</u>	<u>38</u>	<u>43</u>
TOTAL REVENUES	<u>22,500</u>	<u>22,538</u>	<u>38</u>	<u>22,543</u>
EXPENDITURES				
Transportation	<u>22,500</u>	<u>24,577</u>	<u>(2,077)</u>	<u>25,899</u>
TOTAL EXPENDITURES	<u>22,500</u>	<u>24,577</u>	<u>(2,077)</u>	<u>25,899</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(2,039)	(2,039)	(3,356)
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>25,276</u>	<u>25,276</u>	<u>28,632</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 23,237</u>	<u>\$ 25,237</u>	<u>\$ 25,276</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
SPECIAL DISTRICTS FUND – SEWER DISTRICT  
COMBINING BALANCE SHEET  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>KAUNEONGA LAKE SEWER</u>	<u>KAUNEONGA LAKE SEWER EXT.</u>	<u>2019 TOTALS</u>	<u>2018 TOTALS</u>
ASSETS				
Cash	\$ 48,326	\$ 131,420	\$ 179,746	\$ 237,017
Accounts Receivable	40,887	-	40,887	13,720
Rents Receivable	86,008	5,273	91,281	69,620
Due From Other Funds	<u>19,986</u>	<u>80,045</u>	<u>100,031</u>	<u>83,281</u>
TOTAL ASSETS	<u>\$ 195,207</u>	<u>\$ 216,738</u>	<u>\$ 411,945</u>	<u>\$ 403,638</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 10,160	\$ -	\$ 10,160	\$ 19,406
Due To ERS	<u>10,527</u>	<u>-</u>	<u>10,527</u>	<u>10,527</u>
TOTAL LIABILITIES	<u>20,687</u>	<u>-</u>	<u>20,687</u>	<u>29,933</u>
FUND BALANCE				
Non-Spendable:				
Non-Current Receivables	3,236	80,045	83,281	83,281
Assigned:				
Appropriated	39,041	-	39,041	52,947
Unappropriated	<u>132,243</u>	<u>136,693</u>	<u>268,936</u>	<u>237,477</u>
TOTAL FUND BALANCE	<u>174,520</u>	<u>216,738</u>	<u>391,258</u>	<u>373,705</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 195,207</u>	<u>\$ 216,738</u>	<u>\$ 411,945</u>	<u>\$ 403,638</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
SPECIAL DISTRICTS-AMBULANCE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES				
Real Property Taxes	\$ 92,019	\$ 92,019	\$ -	\$ 90,295
TOTAL REVENUES	92,019	92,019	-	90,295
EXPENDITURES				
Health	92,019	92,019	-	90,295
TOTAL EXPENDITURES	92,019	92,019	-	90,295
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE – Beginning Of Year	-	-	-	-
FUND BALANCE – End Of Year	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF BETHEL, NEW YORK  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>SALT BARN</u>	<u>HIGHWAY EQUIPMENT</u>	<u>SEWER REHAB</u>	<u>TAX CERTIORARI</u>	<u>TOTAL</u>	<u>2018 TOTAL</u>
ASSETS						
Cash	\$ -	\$ -	\$ 104,831	\$ 274	\$ 105,105	\$ 20,247
Cash – Restricted	-	2,476	-	-	2,476	191,802
Due From State And Federal	-	-	40,404	-	40,404	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 145,235</u>	<u>\$ 274</u>	<u>\$ 147,985</u>	<u>\$ 212,049</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 127,998	\$ -	\$ 127,998	\$ -
Due To Other Funds	-	-	100,031	-	100,031	102,757
TOTAL LIABILITIES	-	-	228,019	-	228,019	102,757
FUND BALANCE						
Restricted		2,476	-	-	2,476	191,802
Assigned	-	-	-	274	274	274
Unassigned	-	-	(82,784)	-	(82,784)	(82,784)
TOTAL FUND BALANCE	-	2,476	(82,784)	274	(80,034)	109,292
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 145,235</u>	<u>\$ 274</u>	<u>\$ 147,985</u>	<u>\$ 212,049</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



TOWN OF BETHEL, NEW YORK  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>SALT BARN</u>	<u>HIGHWAY EQUIPMENT</u>	<u>SEWER REHAB</u>	<u>TAX CERTIORARI</u>	<u>TOTAL</u>	<u>2018 TOTAL</u>
REVENUES						
Use Of Money And Property	\$ -	\$ 54	\$ -	\$ -	\$ 54	\$ 54
State Aid	<u>-</u>	<u>-</u>	<u>144,738</u>	<u>-</u>	<u>144,738</u>	<u>3,930</u>
TOTAL REVENUES	<u>-</u>	<u>54</u>	<u>144,738</u>	<u>-</u>	<u>144,792</u>	<u>3,984</u>
EXPENDITURES						
Debt Service:						
Principal	-	-	-	-	-	14,932
Capital Outlay	<u>15,602</u>	<u>189,380</u>	<u>127,988</u>	<u>-</u>	<u>332,970</u>	<u>74,521</u>
TOTAL EXPENDITURES	<u>15,602</u>	<u>189,380</u>	<u>127,988</u>	<u>-</u>	<u>332,970</u>	<u>89,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,602)</u>	<u>(189,326)</u>	<u>16,750</u>	<u>-</u>	<u>(188,178)</u>	<u>(85,469)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	15,602	-	-	-	15,602	31,378
Operating Transfers Out	-	-	(16,750)	-	(16,750)	(5,285)
Proceeds Of Long-Term Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,602</u>	<u>-</u>	<u>(16,750)</u>	<u>-</u>	<u>(1,148)</u>	<u>220,093</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(189,326)	-	-	(189,326)	134,624
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>191,802</u>	<u>(82,784)</u>	<u>274</u>	<u>109,292</u>	<u>(25,332)</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ (82,784)</u>	<u>\$ 274</u>	<u>\$ (80,034)</u>	<u>\$ 109,292</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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*

Independent Auditor's Report

To the Supervisor and Town Board  
Of the Town of Bethel, New York  
White Lake, 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, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, New York as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Bethel, New York's basic financial statements and have issued our report thereon dated April 8, 2020.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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, as defined above. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control that we consider to be a significant deficiency. We consider the deficiency described below to be a significant deficiency in internal control:

Management does not possess the necessary training required to prepare the Town's financial statements in accordance with accounting principles generally accepted in the United States of America.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Bethel, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Cooper Armas" followed by a stylized flourish.

Mongaup Valley, New York  
April 8, 2020