

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2021

REFUNDING ISSUE

MOODY'S INVESTORS SERVICES: "Aa2"

SERIAL BOND

See **"BOND RATING" herein**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "TAX MATTERS" herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. 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 "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$1,255,000*
TOWN OF ROTTERDAM
SCHENECTADY COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 778867

\$1,255,000* Public Improvement Refunding (Serial) Bonds, 2021
(referred to herein as the "Bonds")

Dated: Date of Delivery

Due: October 15, 2021-2029

					MATURITIES*									
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2021	\$ 120,000	%	%		2024	\$ 135,000	%	%		2027	\$ 150,000	%	%	
2022	125,000				2025	135,000				2028	160,000			
2023	130,000				2026	140,000				2029	160,000			

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

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 October 15, 2021 and semi-annually thereafter on April 15 and October 15 until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the beneficial owners of the 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 opinion as to the validity of the Bonds of Hodgson Russ LLP, Bond Counsel, Albany, New York. Certain legal matters will be passed upon for the Underwriter by its Counsel, Roemer Wallens Gold & Mineaux, LLP, Albany, 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 May 27, 2021.

ROOSEVELT & CROSS INCORPORATED

April __, 2021

* Preliminary, subject to change.

TOWN OF ROTTERDAM

SCHENECTADY COUNTY, NEW YORK

TOWN OFFICIALS

STEVEN A. TOMMASONE
Town Supervisor

EVAN CHRISTOU
Deputy Town Supervisor

TOWN COUNCIL

JOSEPH GUIDARELLI
STEPHEN SIGNORE
SAMANTHA MILLER-HERRERA

* * * * *

ELIZABETH L. GREENWOOD
Director of Finance

DIANE M. MARCO
Town Clerk

DIANE J. MARTIN
Receiver of Taxes

BRADLEY D. CANNING
Town Assessor

KATHERINE A. MCGUIRL, ESQ.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



HODGSON RUSS LLP
Bond Counsel

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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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF ROTTERDAM
SCHENECTADY COUNTY, NEW YORK
Relating to

\$1,255,000* Public Improvement Refunding (Serial) Bonds, 2021

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Rotterdam, Schenectady County, New York (the "Town," "County," and "State," respectively), in connection with the sale by the Town of its aggregate principal amount of \$1,255,000* Public Improvement Refunding (Serial) Bonds, 2021 (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 of New York, and acts and proceedings of the Town contained herein do not purport to be complete, and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page of this Official Statement. The Bonds are not subject to redemption prior to maturity as described herein under "THE BONDS – No Optional Redemption". 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 form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 15, 2021 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

* Preliminary, subject to change.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity

NATURE OF OBLIGATION

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

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

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

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

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the 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.

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.

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law. 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 October 15, 2021, and semi-annually thereafter on April 15 and October 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 Certificate of Determination 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 fifteenth 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 April 14, 2021, (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 \$1,555,000 outstanding principal amount maturing in years 2021 through 2029 of the Public Improvement Serial Bonds, 2009 originally issued by the Town in the aggregate principal amount of \$2,900,000 (the “2009 Refunded Bonds” referred to herein as the “Refunded Bonds”). The Refunding Bond Resolution 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 various bond resolutions for the following purposes and amounts:

\$2,900,000 Public Improvement Serial Bonds, 2009 – October 15, 2009

<u>Purpose</u>	<u>Amount Originally Issued</u>
Water District #3 Improvements	\$ 1,400,000
Drainage and Related Highway Reconstruction	<u>1,500,000</u>
Total:	\$ 2,900,000

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 direct obligations of the United States of America (the "Government Obligations"). The Government Obligations are to be placed in an irrevocable escrow fund (the "Escrow Deposit Fund") with Wilmington Trust, N.A. (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 so deposited will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, 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.

\$2,900,000 Public Improvement (Serial) Bonds, 2009 – October 15, 2009

CUSIP BASE: 778867

<u>Due October 15th</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CSP</u>
2021	\$ 150,000	4.000%	06/28/2021	100.00%	PA3
2022	155,000	4.000	06/28/2021	100.00	PB1
2023	160,000	4.000	06/28/2021	100.00	PC9
2024	165,000	4.000	06/28/2021	100.00	PD7
2025	170,000	4.000	06/28/2021	100.00	PE5
2026	175,000	4.000	06/28/2021	100.00	PF2
2027	185,000	4.000	06/28/2021	100.00	PG0
2028	195,000	4.000	06/28/2021	100.00	PH8
2029	<u>200,000</u>	4.125	06/28/2021	100.00	PJ4
	<u>\$ 1,555,000</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.

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:

Sources:	Par Amount of the Bonds	
	Original Issue Premium	
	Town Equity Contribution	Total
Uses:	Deposit to Escrow Fund	
	Underwriter's Discount	
	Costs of Issuance and Contingency	Total

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THE TOWN

General Information

The Town, with a land area of approximately 37 square miles, is located in the central portion of Schenectady County adjacent to the City of Schenectady and about 8 miles northwest of the City of Albany. The population, according to the 2019 U.S. Census estimate, is 29,973 (See “Population Trends” herein). The Town is bordered on the west by the Town of Princetown, on the south by Albany County, on the east by the City of Schenectady and on the north by the Town of Glenville.

The Town is primarily suburban residential in nature, but it includes some sizeable commercial and industrial properties. Residential development consists primarily of single-family homes, with many apartment complexes. Commercial activity is centered around several shopping centers, some of which include branches of nationally-known retail outlets. Industrial facilities include a significant portion of the turbine manufacturing plant of GE Energy, which also has part of its general offices, its computer department (the Schenectady Information Processing Center) and other research facilities located in other parts of Schenectady County. In aggregate, GE Energy employs about 3,500 people at these plants, offices and laboratories. Almost one-half (by valuation) of the operations of Schenectady International, Inc. are located in the Town, as well as the Rotterdam Industrial Park.

Whispering Pines Senior Living project is expected to be developed in up to 4 phases over an estimated 4-year period in the Town. The project consists of 125 single-family homes (town homes or detached), 119 independent living units, 108 memory care units, and 144 assisted living units for a total of 496 living units. The plan includes reconfiguring the existing 18-hole executive golf course into a 9-hole executive golf course that includes a new 2,500 square foot clubhouse and 1,300 square foot maintenance building. The project is expected to be accompanied by the addition of sewer and water infrastructure and roadways, as well as stormwater management features.

Population Trends

<u>Year</u>	<u>Town of Rotterdam</u>	<u>Schenectady County</u>	<u>New York State</u>
1990	30,117	181,276	17,990,455
2000	32,995	200,635	18,976,457
2010	29,094	154,727	19,378,102
2017 (estimated)	29,784	155,565	19,849,399
2018 (estimated)	29,771	155,350	19,542,209
2019 (estimated)	29,973	154,859	19,572,319

Source; U.S. Census Bureau.

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Town of:						
Rotterdam	\$ 21,457	\$ 28,557	\$ 31,702	\$ 54,542	\$ 73,175	\$ 85,279
County of:						
Schenectady	21,992	27,500	32,417	53,670	70,712	85,332
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

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

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

Major Employers

The larger employers located in close proximity to the Town include the following:

<u>Name</u>	<u>Type of Product or Service</u>	<u>Number of Employees</u>
General Electric Power Systems	Home Office, Power Systems	3,400
Knolls Atomic Power Laboratory	Research Laboratory	2,700
Ellis Medicine	Health Care	2,587
Golub Corporation/Price Choppers	Food Distribution/Supermarkets	2,473
Schenectady City School District	Education	2,100
GE Research & Development	Commercial Physical Research	1,900
Development Services	State Gov't Social/Human Resources	1,600
County of Schenectady	Local Government	1,395
New York Air National Guard	Military	1,300
MVP Health Plan	Health Maintenance/Insurance	950
Niskayuna School District	Education	790
Trustco	Banking	755
Union College	Education	753
City of Schenectady	Local Government	628

Source: Town officials.

Unemployment Rate Statistics

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

	<u>Annual Average</u>							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Schenectady County	6.9%	5.4%	4.8%	4.4%	4.5%	4.0%	3.7%	8.1%
New York State	7.8%	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

	<u>Monthly Figures</u>											
	<u>2020</u>						<u>2021</u>					
	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Schenectady County	11.7%	11.6%	12.0%	9.4%	6.6%	6.0%	6.0%	6.3%	6.8%	7.0%	N/A	N/A
New York State	15.7%	14.8%	14.8%	11.6%	9.9%	8.3%	8.3%	8.5%	9.4%	9.6%	N/A	N/A

Note: Unemployment rates for the months of March and April of 2021 are unavailable as of the date of this Official Statement. Due to the COVID-19 pandemic, unemployment rates have increased since March of 2020.

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

Form of Town Government

The Town was established in 1820 pursuant to enactment of the New York State Legislature. The Town is located in the County of Schenectady, New York. The County is divided for local government purposes into five towns and the City of Schenectady. In turn, some of such towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision.

The legislative body of the Town is its Town Board of five members, the presiding officer of which is the Town Supervisor elected for a two-year term. The four additional members of the Town Board are elected for four-year terms. The Town Supervisor and the board members are elected at large.

The Supervisor is the chief executive officer of the Town. Additional Town officers are the Town Clerk, and the Receiver of Taxes (both of whom are elected at large for four-year terms); the Superintendent of Highways (elected at large for a two-year term), and the Town Comptroller (appointed for a two-year term by the Town Board).

Financial Organization

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

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

Town finances are operated primarily through the General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water, sewer, lighting, drainage and fire protection districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Services

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities, builds and maintains Town highways and provides public safety through a police department. Fire protection is provided through separate entities, the various fire districts and voluntary fire organizations in the Town. Planning and the financing of Town courts are provided by the Town. Regulation of building construction along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities. Education is the responsibility of three independent school districts serving Town residents.

Budgetary Procedure

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before September. Estimates for each fire district situated within the Town must also be filed with the budget officer by October 20th. (the Town has no authority to amend the budget submitted by a fire district). After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which, must be held on or before October 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, a notice of which must be duly published in the Town's official newspaper, for the preliminary budget is required to be held no later than the 10th day of November. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the budget officer. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, 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; (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 are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with permission of the State Comptroller, in obligations issued by any municipality or school district or district corporation; (6) obligations of other public corporations whose specific enabling legislation authorizes such investments; (7) certificates at participation issued pursuant to section 109-b of the General Municipal Law; and (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance and the eligible securities utilized for such collateral must be held by the depository or by a third-party financial institution, pursuant to security and custodial agreements. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

The Town maintains a list of financial institutions and dealers approved for investment purposes and establishes appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Town conducts business must be credit worthy. Banks are required to provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank are required to be classified as reporting dealers affiliated with the New York and Federal Reserve Bank, as primary dealers. The Town Comptroller is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

The Town Comptroller is authorized to contract for the purpose of investments: (1) directly, including through a repurchase agreement, from an authorized trading partner, (2) by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board; and (3) by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Town, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Town a perfected interest in the securities.

Repurchase agreements are authorized subject to the following restrictions: (1) all repurchase agreements must be entered into subject to a Master Repurchase Agreement; (2) trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers; (3) obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America; (4) no substitution of securities will be allowed; (5) the custodian shall be a party other than the trading partner; and (6) a custodial bank must be a member bank of the Federal Reserve Bank or maintain accounts with member banks.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2021 fiscal year, approximately 6.51% of the operating revenues of the Town is 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. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and 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. (See "MARKET AND RISK FACTORS – COVID-19" herein)

State Aid Revenues

The following table illustrates the percentage of total revenues of the Town for each of the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2015	\$ 14,589,886	\$ 742,158	5.09%
2016	14,388,028	877,449	6.10
2017	14,643,805	1,031,203	7.04
2018	14,594,740	896,413	6.14
2019	14,325,026	952,690	6.65
2020 (Budgeted)	13,775,115	843,230	6.12
2021 (Budgeted)	14,561,027	948,530	6.51

Source: Audited financial statements for the 2015 through 2019 fiscal years, and the adopted budget of the Town for the 2020 and 2021 fiscal years. This table is not audited.

Employees

The Town currently employs 121 full-time and 32 part-time employees, including those employees who are represented by the following collective bargaining organizations:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
79	CSEA	December 31, 2020 ⁽¹⁾
40	Police Benevolent Association	December 31, 2020 ⁽¹⁾
2	Rotterdam Police Chiefs Association	December 31, 2021

⁽¹⁾ Currently under negotiations

Source: Town officials.

Pension Payments

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

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

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

For both ERS & PFRS, Tier 5 provides for:

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

For both ERS & PFRS, Tier 6 provides for:

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

The Town's contributions to the Retirement Systems since 2015 are as follows:

<u>Fiscal Year</u>		<u>ERS</u>		<u>PFRS</u>
2016	\$	626,317	\$	1,014,463
2017		580,532		991,970
2018		603,009		981,125
2019		604,489		1,006,309
2020		610,698		1,086,452
2021 (Budgeted)		543,426		1,129,989

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. In 2020, the Town offered an early retirement incentive of \$15,000 that was taken by 5 people. This will lead to annual savings of \$360,689.05, as there positions were not refilled.

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

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

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3

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

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

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS 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. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The Town is required to adopt the provisions of Statement No. 75 for the year ending December 31, 2019.

Summary of Changes from the Last Valuation. The Town contracted with Korn Ferry Hay Group, an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending December 31, 2019. Actuarial report for fiscal year ending December 31, 2020 is not available as of the date of this Official Statement.

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

Balance at December 31, 2018:	\$ 52,176,177
<u>Changes for the year:</u>	
Service cost	1,540,993
Interest	2,174,264
Differences between expected and actual experience	-
Changes of benefit terms	-
Changes in assumptions	14,285,460
Benefit payments	<u>(1,647,302)</u>
Net Changes	<u>16,353,415</u>
Balance at December 31, 2019:	<u>\$ 68,529,592</u>

Note: The above table is not audited.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45") required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuations are required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

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

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

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Other Information

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

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

The fiscal year of the Town is the calendar year.

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

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 Audited Financial Report for the period ending December 31, 2020 is not available as of the date of this Official Statement. The Audited Financial Report for the fiscal year ending December 31, 2019 and is attached hereto as “APPENDIX – D”. Certain financial information of the Town is included in the Appendices to this Official Statement.

The financial statements of the Town have been prepared in conformity with accounting principles prescribed by the New York State Office of the State Comptroller for complying with Article 3, Section 30 of General Municipal Law in which every municipal corporation is required to make an annual financial report, except as discussed in the Independent Auditor's Report. The most significant difference between this regulatory basis of accounting and generally accepted accounting principles ("GAAP") is that Government Accounting Standards Board ("GASB") Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" need not be implemented to meet the requirements of General Municipal Law, GASB 34 requires significant changes including:

- Government-Wide Reporting
- Focus on Major Funds
- Changes in Budgetary Reporting
- Full Accrual Accounting Including Depreciation
- Management's Discussion and Analysis
- Capitalization of Infrastructure Assets

Management has considered the costs and benefits of adopting GASB 34 and determined that auditing the financial statements utilizing another Comprehensive Basis of Accounting as opposed to GAAP makes fiscal sense for the Town.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on December 23, 2016. The purpose of the audit was to review the Town's water rent billing and collection procedures for the period January 1, 2015 through June 30, 2016.

Key Findings:

- Town officials designed appropriate internal controls to ensure that water fees were properly billed, collected, deposited and recorded in the accounting records.

Key Recommendations:

- There are no recommendations as a result of this audit.

The Town provided a complete response to the State Comptroller's office on December 15, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	3.3
2018	No Designation	0.0
2017	No Designation	0.0
2016	No Designation	0.0

Note: Reference to website implies no warranty of accuracy of information therein. Information for the fiscal year ending in 2020 is unavailable as of the date of this Official Statement.

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Valuation	\$ 2,807,832,352	\$ 2,822,857,027	\$ 2,832,819,766	\$ 2,894,920,781	\$ 2,887,436,913
New York State					
Equalization Rate	100.00%	100.00%	100.00%	98.00%	98.00%
Total Taxable Full Valuation	\$ 2,807,832,352	\$ 2,822,857,027	\$ 2,832,819,766	\$ 2,954,000,797	\$ 2,946,364,197

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Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Town					
Homestead	\$ 2.45	\$ 2.40	\$ 2.31	\$ 2.31	\$ 2.49
Non-Homestead	4.25	4.31	4.40	4.08	4.58
Highway					
Homestead	\$ 1.35	\$ 1.45	\$ 1.41	\$ 1.40	\$ 1.35
Non-Homestead	2.35	2.60	2.68	2.48	2.47

Tax Collection Procedure

Taxes and assessments are levied against properties on the first of January and may be paid without penalty through the month of January. Payments made after January 31 are assessed a penalty as follows: a 1.25% penalty is added in February, 2.50% in March and 3.75% for payments during April. After April, 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 uncollected items to the County, which assumes collection responsibility and holds annual tax sales. As of March 16, 2020 a \$2.00 second notice fee is added to unpaid bills.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy	\$ 12,445,528	\$ 12,660,266	\$ 12,950,418	\$ 13,292,477	\$ 13,603,643
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ The County guarantees collection of taxes. See "Tax Collection Procedure", herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the Town for each of the below fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2015	\$ 14,589,886	\$ 7,539,409	51.68%
2016	14,388,028	7,416,810	51.55
2017	14,643,805	7,507,326	51.27
2018	14,594,740	7,460,636	51.12
2019	14,325,026	7,440,607	51.94
2020 (Budgeted)	13,775,115	7,358,002	53.42
2021 (Budgeted)	14,561,027	8,040,364	55.22

Source: Audited financial statements for the 2015 through 2019 fiscal years and the adopted budgets of the Town for the 2020 and 2021 fiscal years. This table is not audited.

Largest Taxpayers – 2020 Assessment Roll for 2021 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
General Electric Company	Industrial	\$ 132,000,000
National Grid	Utility	68,434,248
Golub Corp.	Warehouse & Office	40,329,700
Schenectady International	Industrial	32,505,400
Rotterdam Ventures	Shopping Center	22,664,400
Rotterdam Rail, LLC	Warehouse	16,000,000
FM Ventures	Storage	15,041,800
Dominion Transmission Inc.	Utility	11,165,781
Time Warner	Cable Company	10,321,198
Viaport	Shopping	5,970,645

The ten larger taxpayers listed above have a total taxable assessed valuation of \$354,433,172, which represents approximately 12.28% of the tax base of the Town.

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

Source: Town Tax Rolls.

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 total property tax bill of a \$174,800 market value residential property located in the Town is approximately \$5,500 including County, School District, and Town general, highway and fire 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.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. The credit is a tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Cap Law. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap imposed by the Tax Cap Law to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years. Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain State officials in order to render their real property taxpayers eligible for the real property tax rebate. The New York State Department of Taxation and Finance will determine each homeowner's eligibility, calculate the amount of the credit and send the credit to the homeowner.

For the second taxable year of the program being 2015-16 for school districts and 2016 for other municipal units of government, the property tax rebate for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a State approved "shared services and government efficiency plan" which demonstrates three year savings and efficiencies of at least one percent of the combined 2014 levy of participating municipalities in each of the years 2017, 2018 and 2019 from shared services, cooperation agreements and/or mergers or efficiencies. The State will also be required to consider past shared services arrangements or government efficiency programs to be deemed applicable in demonstrating the targeted savings. There is no requirement that these efficiencies are to be used to reduce future tax levies. Should the savings targeted not be met by a school district or municipal unit of government there is no authority granted for the State to withhold State aid due to each respective entity.

This tax credit will be made available in municipalities that reduce or hold steady their property tax levy. The tax credit payable will be equal to the allowable tax levy growth factor for that year, including adjustments for inflation, economic growth, pensions, PILOTS, etc. as determined by the New York State Department of Taxation and Finance.

This initiative was a two year temporary initiative for towns, and has not been extended for towns to date.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town and the 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 debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

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

Statutory Procedure

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

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

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

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

Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 4,735,000	\$ 4,105,000	\$ 3,595,000	\$ 5,480,500	4,890,000
Bond Anticipation Notes	7,785,130	7,394,440	7,878,440	5,581,380	5,226,250
Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 12,520,130</u>	<u>\$ 11,499,440</u>	<u>\$ 11,473,440</u>	<u>\$ 11,061,880</u>	<u>\$ 10,116,520</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 April 29, 2021:

<u>Type of Obligation</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2021-2049	\$ 4,890,000
<u>Bond Anticipation Notes</u>	<u>Maturity</u>	<u>Amount</u>
Helderberg Ave. & Highbridge Rd. Sewer	November 12, 2021	122,250
Emergency Sewer Break Repairs	March 02, 2022	156,000
Hamburg St. Sewer, NYS Betterment Projects	June 18, 2021	3,611,400
Emergency Sewer Break Repairs	September 24, 2021	98,420
Water Well Project	September 24, 2021	320,000
Curry Road Sewer System Project	April 07, 2022	532,000
Highbridge Road Sewer	November 12, 2021	378,450
Highway Equipment	October 20, 2021	<u>528,000</u>
	Total Bond Anticipation Notes:	<u>\$ 5,746,520</u>
	Total Indebtedness	<u>\$ 10,636,520</u>

Debt Statement Summary and Constitutional Debt-Contracting Limit

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 29, 2021:

Five-Year Average Full Valuation of Taxable Real Property	\$ 2,872,774,828
Debt Limit 7% thereof.....	201,094,238

Inclusions:

Serial Bonds ⁽¹⁾	\$ 4,890,000	
Bond Anticipation Notes	<u>5,746,520</u>	
Total Inclusions.....		\$ 10,636,520

Exclusions:

Water Indebtedness ⁽²⁾	\$ 1,250,690	
Appropriations ⁽³⁾	<u>445,000</u>	
Total Exclusions.....		<u>\$ 1,695,690</u>

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 8,940,830</u>
Net Debt-Contracting Margin.....	<u>\$ 192,153,408</u>
The percent of debt contracting power exhausted is.....	4.45%

⁽¹⁾ The totals listed above include \$1,555,000 principal amount anticipated to be refunded with the proceeds of the Bonds.

⁽²⁾ Water debt can be excluded pursuant to Section 124.10 of the Local Finance Law.

⁽³⁾ Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Bonded Debt Service

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

Authorized But Unissued Items

As of the date of this official statement, the Town has no authorized but unissued debt

Cash Flow Borrowings

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

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the respective fiscal years of the governmental units adjusted to include subsequent bond issues, if any.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Schenectady	12/31/2019	\$ 71,165,000	\$ - ⁽²⁾	\$ 71,165,000	24.11%	\$ 17,157,882
School Districts:						
Schenectady	6/30/2020	85,870,000	84,152,600 ⁽³⁾	1,717,400	2.50%	42,935
Schalmont	6/30/2020	6,341,320	4,280,391 ⁽³⁾	2,060,929	72.79%	1,500,150
Rotterdam-Mohonasen	6/30/2020	50,789,966	40,276,443 ⁽³⁾	10,513,523	91.24%	9,592,538
					Total:	<u>\$ 28,293,505</u>

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

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

(3) Estimated State building aid.

Source: Most recent available State Comptroller’s Special Report on Municipal Affairs for Local Finance for the respective fiscal year of the municipality.

Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of April 29, 2021:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 8,940,830	\$ 298.30	0.30%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	37,234,335	1,242.26	1.26

(a) The 2019 estimated population of the Town is 29,973. (See “THE TOWN – Population Trends” herein.)

(b) The Town’s full value of taxable real estate for the 2021 fiscal year is \$2,946,364,197. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)

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

(d) The Town’s share of net overlapping indebtedness is estimated to be \$28,293,505. (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 Town 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 Town 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 Town 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 City.

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. Due to clerical error the Town made late interest payments on the Town's 2009 bonds. The interest payments were scheduled to be made on November 15, 2014, 2015, 2017, and 2018. The interest payments were made in full on December 1, 2014, November 19, 2015, November 29, 2017 and November 26, 2018.

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 Matters" herein).

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

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

COVID -19: An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

TAX MATTERS

The Bonds. In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations. Further, (a) the Town or another Person, by failing to comply with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, (b) interest on the Bonds is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, and (c) interest on the Bonds is included in the tax base for purposes of computing the branch profits tax under Section 884 of the Code.

Tax Requirements. In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations thereunder (collectively, the "Tax Requirements"). In the opinion of Bond Counsel, the Tax Compliance Certificate establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

In the Tax Compliance Certificate, the Town has covenanted to comply with the Tax Requirements, and refrain from taking any action which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes from the date of issuance of the Bonds. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

Other Impacts. Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Bond before maturity within the United States. Backup withholding may apply to holders of the Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service (the "Service").

Future Legislation. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted or, if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices set indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

New York State Taxes. In the opinion of Bond Counsel, interest on the Bonds is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous. All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners of the Bonds regarding the tax status of the interest thereon in the event of an audit examination by the IRS.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by the Tax Levy Limitation Law, (ii) 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; and (iii) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See "TAX LEVY LIMITATION LAW" herein.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to this Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Certain legal matters will be passed on for the Underwriter by its counsel, Roemer Wallens Gold & Mineaux, LLP, Albany, 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. Further, 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 that would not otherwise be coverable by our General Liability Insurance Policy.

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.

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross, Incorporated, (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.

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.

CONTINUING DISCLOSURE UNDERTAKING

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, the form of which can be found in "APPENDIX – C".

Historical Compliance

The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2014 and 2015 within 360 days of the end of the fiscal year pursuant to the disclosure requirements of the Town. A failure to file material event notice was filed to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") website on January 13, 2017 disclosing the late filing for the Town's audited financial statement for the fiscal year ending December 31, 2015. A failure to file and failure to provide event filing information as required material event notice disclosing the late filing for the Town's audited financial statement for the fiscal year ending December 31, 2014 was filed to EMMA on October 22, 2019.

Due to clerical error the Town inadvertently missed the interest payments due for the Town's \$2,327,000 Public Improvement (Serial) Bonds, 2009 on November 15, 2014, November 15, 2015, November 15, 2017 and November 15, 2018. The interest payments were made in full on December 1, 2014, November 19, 2015, November 29, 2017, and November 26, 2018 respectively. The Town filed a material event notice disclosing the late interest payments and disclosing the Town's failure to provide event filing information within a timely manner as required by the Town's outstanding undertaking requirements on October 22, 2019.

The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2019, within the timeline stated in the Town's prior undertaking agreements. The Town's Audited Financial Statements for the fiscal year ending December 31, 2019 are dated as on November 4, 2020 and were filed to EMMA on April 14, 2021. The Town filed a failure to file and failure to provide notice of failure to provide annual financial information to EMMA on April 14, 2021.

The Town has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through EMMA.

BOND RATING

Moody's Investors Service, Inc. ("Moody's") has assigned their municipal bond rating of "Aa2" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating, and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street- 23rd Floor, New York, New York 10007, Phone: (212) 553-0377, Fax: (212) 233-6263.

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

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

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

Hodgson Russ LLP, Albany, New York, Bond Counsel to the Town, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The Town contact information is as follows: Elizabeth Greenwood, Director of Finance, 1100 Sunrise Boulevard, Rotterdam, New York 12306 telephone (518) 355-7575 x 311, fax (518) 356-9029, email: egreenwood@rotterdamny.org.

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

TOWN OF ROTTERDAM

Dated: April 29, 2021

STEVEN A. TOMMASONE
TOWN SUPERVISOR

GENERAL FUND
Balance Sheets

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash	\$ 4,028,319	\$ 4,987,014	\$ 5,773,311	\$ 6,183,526	\$ 5,574,792
Restricted Cash	1,028,351	907,391	1,242,019	1,487,221	1,393,371
Other Receivables	815,098	822,450	771,726	684,975	701,018
State and Federal Aid Receivable	13,097	36,699	-	-	873
Due from Other Funds	-	-	-	10,000	90,000
Due from Other Governments	913,934	787,131	948,365	1,075,519	1,042,411
Inventory	12,190	12,906	12,344	17,427	16,806
Prepaid Expenses	325,753	340,563	318,766	324,838	332,238
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 7,136,742</u>	<u>\$ 7,894,154</u>	<u>\$ 9,066,531</u>	<u>\$ 9,783,506</u>	<u>\$ 9,151,509</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 190,441	\$ 139,993	\$ 313,338	\$ 328,046	\$ 509,869
Accrued Liabilities	261,145	194,317	84,113	85,531	162,084
Due to Other Funds	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenues	-	-	135,328	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>451,586</u>	<u>334,310</u>	<u>532,779</u>	<u>413,577</u>	<u>671,953</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 337,943	\$ 353,469	\$ 331,110	\$ 342,265	\$ 349,044
Restricted	810,910	716,810	1,078,325	1,350,372	1,283,087
Assigned	1,280,807	1,524,288	1,531,272	2,313,779	2,690,610
Unassigned	4,255,496	4,965,277	5,593,045	5,363,513	4,156,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>6,685,156</u>	<u>7,559,844</u>	<u>8,533,752</u>	<u>9,369,929</u>	<u>8,479,556</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 7,136,742</u>	<u>\$ 7,894,154</u>	<u>\$ 9,066,531</u>	<u>\$ 9,783,506</u>	<u>\$ 9,151,509</u>

Source: 2015-2019 Audited financial reports of the Town.
This Appendix is not itself audited.

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 6,595,708	\$ 6,755,842	\$ 6,603,564	\$ 6,679,546	\$ 6,639,984
Real Property Tax Items	858,852	783,567	813,246	827,780	820,652
Non Property Tax Items	4,210,105	4,235,362	4,207,721	4,311,350	4,319,584
Departmental Income	741,001	796,143	890,593	646,179	562,617
Intergovernmental Charges	249,459	203,493	207,775	201,911	204,535
Use of Money & Property	9,615	10,885	11,978	12,875	17,881
Licenses and Permits	50,254	51,847	44,583	61,955	53,466
Fines and Forfeitures	405,941	411,719	635,748	689,967	690,061
Sale of Property and Compensation for Loss	77,621	408,794	52,751	79,299	154,277
Miscellaneous	30,160	29,435	15,251	72,154	233,557
Interfund Revenues	25,000	25,000	25,000	-	-
Revenues from State Sources	786,590	742,158	877,449	1,031,203	896,413
Revenues from Federal Sources	70,099	135,641	2,369	29,586	1,713
Total Revenues	<u>\$ 14,110,405</u>	<u>\$ 14,589,886</u>	<u>\$ 14,388,028</u>	<u>\$ 14,643,805</u>	<u>\$ 14,594,740</u>
Other Sources:					
Proceeds of Obligations	<u>-</u>	<u>340,145</u>	<u>291,751</u>	<u>282,828</u>	<u>322,898</u>
Total Revenues and Other Sources	<u>14,110,405</u>	<u>14,930,031</u>	<u>14,679,779</u>	<u>14,926,633</u>	<u>14,917,638</u>
<u>EXPENDITURES</u>					
General Government Support	\$ 1,972,895	\$ 1,867,383	\$ 1,802,416	\$ 2,035,397	\$ 1,998,855
Public Safety	5,775,615	5,698,699	5,945,835	5,786,497	5,984,330
Health	3,400	3,400	3,400	3,400	3,400
Transportation	193,171	178,245	216,341	194,543	239,684
Economic Assistance and Opportunity	210,518	168,084	158,659	176,633	166,018
Culture and Recreation	387,796	387,551	703,116	706,588	544,480
Home and Community Services	301,216	439,873	252,287	495,017	330,176
Employee Benefits	4,649,695	4,115,840	4,195,026	4,260,745	4,413,352
Debt Service	551,329	463,649	218,011	157,821	159,205
Total Expenditures	<u>\$ 14,045,635</u>	<u>\$ 13,322,724</u>	<u>\$ 13,495,091</u>	<u>\$ 13,816,641</u>	<u>\$ 13,839,500</u>
Other Uses:					
Interfund Transfers	<u>402,217</u>	<u>230,000</u>	<u>310,000</u>	<u>136,084</u>	<u>241,961</u>
Total Expenditures and Other Uses	<u>13,643,418</u>	<u>13,552,724</u>	<u>13,805,091</u>	<u>13,952,725</u>	<u>14,081,461</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ 466,987</u>	<u>\$ 1,377,307</u>	<u>\$ 874,688</u>	<u>\$ 973,908</u>	<u>\$ 836,177</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	4,600,421	5,067,408	6,685,156	7,559,844	8,533,752
Prior Period Adjustments (net)	<u>-</u>	<u>240,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 5,067,408</u></u>	<u><u>\$ 6,685,156</u></u>	<u><u>\$ 7,559,844</u></u>	<u><u>\$ 8,533,752</u></u>	<u><u>\$ 9,369,929</u></u>

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

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

Fiscal Years Ending December 31:

	2019			2020	2021
	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
REVENUES					
Real Property Taxes	\$ 6,604,599	\$ 6,604,599	\$ 6,604,599	\$ 6,496,785	\$ 7,181,780
Real Property Tax Items	847,058	847,058	836,008	861,217	858,584
Non Property Tax Items	4,238,985	4,238,985	4,370,877	4,275,000	4,275,000
Departmental Income	272,950	284,929	304,636	254,500	254,500
Intergovernmental Charges	207,293	207,293	217,728	205,793	204,043
Use of Money & Property	8,525	8,525	43,051	12,925	12,925
Licenses and Permits	35,425	35,425	58,461	41,250	41,250
Fines and Forfeitures	740,400	740,400	586,173	720,400	720,400
Sale of Property and Compensation for Loss	28,015	28,015	25,681	28,015	28,015
Miscellaneous	31,000	31,000	321,372	6,000	6,000
Interfund Revenues	-	-	-	25,000	25,000
Revenues from State Sources	843,230	843,230	952,690	843,230	948,530
Revenues from Federal Sources	5,000	5,000	3,750	5,000	5,000
Total Revenues	<u>\$ 13,862,480</u>	<u>\$ 13,874,459</u>	<u>\$ 14,325,026</u>	<u>\$ 13,775,115</u>	<u>\$ 14,561,027</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,950</u>	<u>363,550</u>
Total Revenues and Other Sources	<u>13,862,480</u>	<u>13,874,459</u>	<u>14,325,026</u>	<u>14,125,065</u>	<u>14,924,577</u>
EXPENDITURES					
General Government Support	\$ 2,355,840	\$ 2,348,501	\$ 2,231,445	\$ 2,338,950	\$ 2,725,222
Public Safety	6,574,316	6,524,824	6,195,010	6,693,245	6,879,281
Health	3,400	3,400	3,400	3,400	3,400
Transportation	297,955	323,255	318,632	301,975	284,467
Economic Assistance and Opportunity	208,820	287,095	363,024	224,660	244,660
Culture and Recreation	569,825	543,973	510,671	614,050	522,500
Home and Community Service	378,065	540,017	582,855	509,770	469,040
Employee Benefits	5,212,374	4,581,374	4,548,868	5,127,415	5,247,959
Debt Service	160,165	160,165	160,165	157,600	157,695
Total Expenditures	<u>\$ 15,760,760</u>	<u>\$ 15,312,604</u>	<u>\$ 14,914,070</u>	<u>\$ 15,971,065</u>	<u>\$ 16,534,224</u>
Other Uses:					
Interfund Transfers	<u>345,120</u>	<u>315,880</u>	<u>301,329</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>16,105,880</u>	<u>15,628,484</u>	<u>15,215,399</u>	<u>15,971,065</u>	<u>16,534,224</u>
Excess (Deficit) Revenues Over Expenditures	<u>\$ (2,243,400)</u>	<u>\$ (1,754,025)</u>	<u>\$ (890,373)</u>	<u>\$ (1,846,000)</u>	<u>\$ (1,609,647)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	2,243,400	1,754,025	9,369,929	1,846,000	1,609,647
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,479,556</u>	<u>\$ -</u>	<u>\$ -</u>

Source: 2019 audited Annual financial report and budgets of the Town. This Appendix is not itself audited.

APPENDIX - B
Town of Rotterdam

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2021	\$ 610,000	\$ 157,407.50	\$ 767,407.50
2022	635,000	132,913.75	767,913.75
2023	235,000	110,693.75	345,693.75
2024	240,000	102,718.75	342,718.75
2025	245,000	94,543.75	339,543.75
2026	250,000	86,168.75	336,168.75
2027	260,000	77,593.75	337,593.75
2028	275,000	68,618.75	343,618.75
2029	280,000	59,112.50	339,112.50
2030	85,000	49,156.25	134,156.25
2031	85,000	47,318.75	132,318.75
2032	85,000	45,481.25	130,481.25
2033	75,000	43,643.75	118,643.75
2034	75,000	41,675.00	116,675.00
2035	80,000	39,706.25	119,706.25
2036	80,000	37,606.25	117,606.25
2037	85,000	35,506.25	120,506.25
2038	85,000	33,275.00	118,275.00
2039	90,000	30,937.50	120,937.50
2040	90,000	28,462.50	118,462.50
2041	95,000	25,987.50	120,987.50
2042	95,000	23,375.00	118,375.00
2043	100,000	20,762.50	120,762.50
2044	100,000	18,012.50	118,012.50
2045	105,000	15,262.50	120,262.50
2046	110,000	12,375.00	122,375.00
2047	110,000	9,350.00	119,350.00
2048	115,000	6,325.00	121,325.00
2049	115,000	3,162.50	118,162.50
TOTALS	\$ 4,890,000	\$ 1,457,152.50	\$ 6,347,152.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2002 \$3,250,000 Tax Certiorari			2009 \$2,327,000 Various Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 225,000	\$ 21,395.00	\$ 246,395.00	\$ 165,000	\$ 10,100.00	\$ 175,100.00
2022	235,000	11,045.00	246,045.00	170,000	3,400.00	173,400.00
TOTALS	\$ 460,000	\$ 32,440.00	\$ 492,440.00	\$ 335,000	\$ 13,500.00	\$ 348,500.00

Fiscal Year Ending December 31st	2009 \$2,900,000 Water District and Highway Reconstruction			2003 \$442,585 Water Drainage		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 150,000	\$ 62,450.00	\$ 212,450.00	\$ 15,000	\$ -	\$ 15,000.00
2022	155,000	56,450.00	211,450.00	15,000	-	15,000.00
2023	160,000	50,250.00	210,250.00	15,000	-	15,000.00
2024	165,000	43,850.00	208,850.00	15,000	-	15,000.00
2025	170,000	37,250.00	207,250.00	15,000	-	15,000.00
2026	175,000	30,450.00	205,450.00	15,000	-	15,000.00
2027	185,000	23,450.00	208,450.00	15,000	-	15,000.00
2028	195,000	16,050.00	211,050.00	15,000	-	15,000.00
2029	200,000	8,250.00	208,250.00	15,000	-	15,000.00
2030	-	-	-	15,000	-	15,000.00
2031	-	-	-	15,000	-	15,000.00
2032	-	-	-	15,000	-	15,000.00
TOTALS	\$ 1,555,000	\$ 328,450.00	\$ 1,883,450.00	\$ 180,000	\$ -	\$ 180,000.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2019 \$2,410,500 Waste Water Treatment Plant		
	Principal	Interest	Total
2021	\$ 55,000	\$ 63,462.50	\$ 118,462.50
2022	60,000	62,018.75	122,018.75
2023	60,000	60,443.75	120,443.75
2024	60,000	58,868.75	118,868.75
2025	60,000	57,293.75	117,293.75
2026	60,000	55,718.75	115,718.75
2027	60,000	54,143.75	114,143.75
2028	65,000	52,568.75	117,568.75
2029	65,000	50,862.50	115,862.50
2030	70,000	49,156.25	119,156.25
2031	70,000	47,318.75	117,318.75
2032	70,000	45,481.25	115,481.25
2033	75,000	43,643.75	118,643.75
2034	75,000	41,675.00	116,675.00
2035	80,000	39,706.25	119,706.25
2036	80,000	37,606.25	117,606.25
2037	85,000	35,506.25	120,506.25
2038	85,000	33,275.00	118,275.00
2039	90,000	30,937.50	120,937.50
2040	90,000	28,462.50	118,462.50
2041	95,000	25,987.50	120,987.50
2042	95,000	23,375.00	118,375.00
2043	100,000	20,762.50	120,762.50
2044	100,000	18,012.50	118,012.50
2045	105,000	15,262.50	120,262.50
2046	110,000	12,375.00	122,375.00
2047	110,000	9,350.00	119,350.00
2048	115,000	6,325.00	121,325.00
2049	115,000	3,162.50	118,162.50
TOTALS	\$ 2,360,000	\$ 1,082,762.50	\$ 3,442,762.50

FORM UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

This undertaking to provide continuing disclosure (the “Disclosure Undertaking”) is executed and delivered by the Town of Rotterdam, a municipal corporation of the State of New York (the “Issuer”) in connection with the issuance of its \$ _____ **Public Improvement Refunding (Serial) Bonds, 2021** (the “Security”). The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB):

- (i) no later than the following September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following September 30 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the “Report Date”), but in no event later than one year after the end of each fiscal year;
- (ii) if not provided as part of the Annual Financial Information, Audited Financial Statements within 60 days of their receipt, but in no event later than one year after the end of each fiscal year;
- (iii) in a timely manner (not in excess of ten business days after the occurrence of any such event), notice of any of the following events with respect to the Security:
 - (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this Section 1, 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.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(iv) in a timely manner (not in excess of ten business days after the occurrence of such event), notice of a failure to provide by the date set forth in Section 1(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a)(ii) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

“Annual Financial Information” means the information specified in Section 3 hereof.

“Audited Financial Statements” means the Issuer’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of New York.

“EMMA” means the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer’s final official statement relating to the Security under the headings “THE TOWN,” “TAX INFORMATION,” “STATUS OF INDEBTEDNESS,” and “LITIGATION” and all Appendices (other than “APPENDIX – C” and other than any related to bond insurance); which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it must be available on EMMA.

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 6(f) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 5. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 6. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;
- (f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(g) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 7. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 8. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 9. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of **May __, 2021**.

TOWN OF ROTTERDAM, NEW YORK

By: /s/:

Town Supervisor

TOWN OF ROTTERDAM
SCHENECTADY COUNTY, NEW YORK

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT &
FINANCIAL STATEMENTS**

Fiscal Year Ending December 31, 2019

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

TOWN OF ROTTERDAM, NEW YORK

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Members of
the Town Board of the
Town of Rotterdam, New York

Report on the Financial Statements

We have audited the accompanying financial statements of all fund types and the non-current governmental liabilities account group of the Town of Rotterdam, New York (the "Town") as of and for the year ended December 31, 2019, as listed in the table of contents, and the related 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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 from material misstatement.

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

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

Unmodified Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of all fund types and the non-current governmental liabilities account group for the Town of Rotterdam, New York, as of December 31, 2019, and the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present all fund types and the non-current governmental liabilities account group, and do not purport to, and do not present fairly the financial position of the Town as of December 31, 2019, or the changes in its government-wide financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Additionally, we were not engaged to perform an audit of capital assets. Our opinion is not modified with respect to these matters.

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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
November 4, 2020

TOWN OF ROTTERDAM, NEW YORK
BALANCE SHEETS
ALL FUND TYPES AND NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP
DECEMBER 31, 2019

Assets	Governmental Fund Types										Fiduciary	Non-Current
	General	Highway	Water	Sewer	Drainage	Fire Protection	Lighting	Special Grant	Capital Projects	Agency	Fund Type	Governmental Liabilities Account Group
Cash	\$ 5,574,792	\$ 1,097,360	\$ 1,515,575	\$ 1,520,358	\$ 32,025	\$ 10,309	\$ 117,124	\$ 44,696	\$ 1,746,054	\$ 188,067		\$ -
Due from other governments	1,043,284	-	-	-	-	-	-	-	-	-		-
Prepaid expenditures	332,238	50,418	13,325	8,807	-	-	-	-	-	-		-
Other receivables	701,018	17,453	464,280	351,332	-	-	-	-	-	-		-
Inventory	16,806	-	-	-	-	-	-	-	-	-		-
Due from other funds	90,000	-	-	-	-	-	-	-	-	-		-
Cash restricted	1,393,371	710,054	1,308,833	198,015	-	-	-	-	151,315	-		-
Provisions to be made in future budgets	-	-	-	-	-	-	-	-	-	-		80,144,100
Total assets	<u>\$ 9,151,509</u>	<u>\$ 1,875,285</u>	<u>\$ 3,302,013</u>	<u>\$ 2,078,512</u>	<u>\$ 32,025</u>	<u>\$ 10,309</u>	<u>\$ 117,124</u>	<u>\$ 44,696</u>	<u>\$ 1,897,369</u>	<u>\$ 188,067</u>		<u>\$ 80,144,100</u>
Liabilities, Deferred Inflows of Resources and Fund Equity (Deficit)												
Liabilities:												
Accounts payable	\$ 509,869	\$ 43,110	\$ 272,806	\$ 33,505	\$ 130	\$ -	\$ 6,637	\$ -	\$ 70,723	\$ -		\$ -
Accrued liabilities	162,084	39,223	7,946	2,315	-	-	-	31,242	-	188,067		-
Due to retirement system	-	-	-	-	-	-	-	-	-	-		3,367,774
Due to other funds	-	-	-	-	-	-	-	-	90,000	-		-
Other post-employment benefits	-	-	-	-	-	-	-	-	-	-		68,529,592
Compensated absences	-	-	-	-	-	-	-	-	-	-		2,629,740
Landfill closure	-	-	-	-	-	-	-	-	-	-		136,494
BANS and bonds payable	-	-	-	-	-	-	-	-	5,581,380	-		5,480,500
Total liabilities	<u>671,953</u>	<u>82,333</u>	<u>280,752</u>	<u>35,820</u>	<u>130</u>	<u>-</u>	<u>6,637</u>	<u>31,242</u>	<u>5,742,103</u>	<u>188,067</u>		<u>80,144,100</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Fund Equity (Deficit):												
Nonspendable	349,044	50,418	13,325	8,807	-	-	-	-	-	-		-
Restricted	1,283,087	650,673	1,308,833	198,015	-	-	-	-	-	-		-
Assigned	2,690,610	1,091,861	1,699,103	1,783,949	31,895	10,309	110,487	13,454	-	-		-
Unassigned (deficit)	<u>4,156,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,844,734)</u>	<u>-</u>		<u>-</u>
Total fund balances (deficit)	<u>8,479,556</u>	<u>1,792,952</u>	<u>3,021,261</u>	<u>1,990,771</u>	<u>31,895</u>	<u>10,309</u>	<u>110,487</u>	<u>13,454</u>	<u>(3,844,734)</u>	<u>-</u>		<u>-</u>
Total liabilities, deferred Inflows of resources and fund equity (deficit)	<u>\$ 9,151,509</u>	<u>\$ 1,875,285</u>	<u>\$ 3,302,013</u>	<u>\$ 2,078,512</u>	<u>\$ 32,025</u>	<u>\$ 10,309</u>	<u>\$ 117,124</u>	<u>\$ 44,696</u>	<u>\$ 1,897,369</u>	<u>\$ 188,067</u>		<u>\$ 80,144,100</u>

TOWN OF ROTTERDAM, NEW YORK
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Fund Types								
	<u>General</u>	<u>Highway</u>	<u>Water</u>	<u>Sewer</u>	<u>Drainage</u>	<u>Fire Protection</u>	<u>Lighting</u>	<u>Special Grant</u>	<u>Capital Projects</u>
Revenue									
Real property taxes	\$ 6,604,599	\$ 4,015,026	\$ 789,829	\$ 1,316,790	\$ 7,720	\$ 41,492	\$ 174,920	\$ -	\$ -
Real property tax items	836,008	290,333	-	-	-	-	-	-	-
Non-property tax items	4,370,877	-	-	-	-	-	-	-	-
Departmental income	304,636	-	1,451,103	455,182	-	-	-	-	-
Intergovernmental charges	217,728	-	-	-	-	-	-	-	-
Use of money and property	43,051	21,909	234,232	10,816	123	77	759	37	872
Licenses and permits	58,461	-	-	300	-	-	-	-	-
Fines and forfeitures	586,173	-	-	-	-	-	-	-	-
Sale of property and compensation for loss	25,681	28,194	7,044	5,724	-	-	-	-	181,865
Miscellaneous local sources	321,372	306	111	21,988	-	-	-	229,936	-
State aid	952,690	326,571	-	-	-	-	-	-	1,000
Federal aid	3,750	-	-	-	-	-	-	1,562,451	-
Total revenue	<u>14,325,026</u>	<u>4,682,339</u>	<u>2,482,319</u>	<u>1,810,800</u>	<u>7,843</u>	<u>41,569</u>	<u>175,679</u>	<u>1,792,424</u>	<u>183,737</u>
Expenditures									
General governmental support	2,231,445	14,307	1,771	27,133	-	-	1,054	-	157,359
Public safety	6,195,010	-	-	-	-	42,000	-	-	-
Public health	3,400	-	-	-	-	-	-	-	-
Transportation	318,632	3,198,204	-	-	-	-	162,171	-	-
Economic assistance and opportunity	363,024	-	-	-	-	-	-	-	-
Culture and recreation	510,671	-	-	-	-	-	-	-	-
Home and community services	582,855	-	1,763,858	794,237	2,586	-	-	1,782,640	983,943
Employee benefits	4,548,868	1,151,395	271,964	206,763	-	-	-	-	-
Debt service (principal and interest)	160,165	449,542	144,953	439,527	-	-	-	-	-
Total expenditures	<u>14,914,070</u>	<u>4,813,448</u>	<u>2,182,546</u>	<u>1,467,660</u>	<u>2,586</u>	<u>42,000</u>	<u>163,225</u>	<u>1,782,640</u>	<u>1,141,302</u>
Other Changes									
Proceeds of serial bonds	-	-	-	-	-	-	-	-	2,410,500
BANs redeemed	-	-	-	-	-	-	-	-	336,560
Operating transfers - in	359,671	-	-	-	-	-	-	-	1,257,174
Operating transfers - out	(661,000)	(60,000)	(677,849)	(213,246)	(750)	(1,000)	(3,000)	-	-
Total other changes	<u>(301,329)</u>	<u>(60,000)</u>	<u>(677,849)</u>	<u>(213,246)</u>	<u>(750)</u>	<u>(1,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>4,004,234</u>
Excess (deficiency) of revenue over expenditures	(890,373)	(191,109)	(378,076)	129,894	4,507	(1,431)	9,454	9,784	3,046,669
Fund balance (deficit) at beginning of year	<u>9,369,929</u>	<u>1,984,061</u>	<u>3,399,337</u>	<u>1,860,877</u>	<u>27,388</u>	<u>11,740</u>	<u>101,033</u>	<u>3,670</u>	<u>(6,891,403)</u>
Fund balance (deficit) at end of year	<u>\$ 8,479,556</u>	<u>\$ 1,792,952</u>	<u>\$ 3,021,261</u>	<u>\$ 1,990,771</u>	<u>\$ 31,895</u>	<u>\$ 10,309</u>	<u>\$ 110,487</u>	<u>\$ 13,454</u>	<u>\$ (3,844,734)</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property taxes	\$ 6,604,599	\$ 6,604,599	\$ 6,604,599	\$ -	\$ -
Real property tax items	847,058	847,058	836,008	-	(11,050)
Non-property tax items	4,238,985	4,238,985	4,370,877	-	131,892
Departmental income	272,950	284,929	304,636	-	19,707
Intergovernmental charges	207,293	207,293	217,728	-	10,435
Use of money and property	8,525	8,525	43,051	-	34,526
Licenses and permits	35,425	35,425	58,461	-	23,036
Fines and forfeitures	740,400	740,400	586,173	-	(154,227)
Sale of property and compensation for loss	28,015	28,015	25,681	-	(2,334)
Miscellaneous local sources	31,000	31,000	321,372	-	290,372
State aid	843,230	843,230	952,690	-	109,460
Federal aid	5,000	5,000	3,750	-	(1,250)
Total revenues	<u>13,862,480</u>	<u>13,874,459</u>	<u>14,325,026</u>	<u>-</u>	<u>450,567</u>
Expenditures					
General government support	2,355,840	2,348,501	2,231,445	30,085	86,971
Public safety	6,574,316	6,524,824	6,195,010	212,511	117,303
Public Health	3,400	3,400	3,400	-	-
Transportation	297,955	323,255	318,632	-	4,623
Economic assistance and opportunity	208,820	287,095	363,024	64,101	(140,030)
Culture and recreation	569,825	543,973	510,671	-	33,302
Home and community services	378,065	540,017	582,855	-	(42,838)
Employee benefits	5,212,374	4,581,374	4,548,868	-	32,506
Debt service	160,165	160,165	160,165	-	-
Total expenditures	<u>15,760,760</u>	<u>15,312,604</u>	<u>14,914,070</u>	<u>306,697</u>	<u>91,837</u>
Other Financing Uses					
Operating transfers	<u>(345,120)</u>	<u>(315,880)</u>	<u>(301,329)</u>	<u>-</u>	<u>14,551</u>
Appropriated fund balance	<u>2,243,400</u>	<u>1,754,025</u>	<u>-</u>	<u>(306,697)</u>	<u>(1,447,328)</u>
Excess of expenditures and other financing uses over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (890,373)</u>	<u>\$ -</u>	<u>\$ (890,373)</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real property taxes	\$ 4,015,026	\$ 4,015,026	\$ 4,015,026	\$ -
Real property tax items	304,900	304,900	290,333	(14,567)
Use of money and property	1,950	1,950	21,909	19,959
Licenses and permits	500	500	-	(500)
Sale of property and compensation for loss	5,435	5,435	28,194	22,759
Miscellaneous local sources	-	-	306	306
State aid	230,871	326,571	326,571	-
Total revenues	<u>4,558,682</u>	<u>4,654,382</u>	<u>4,682,339</u>	<u>27,957</u>
Expenditures				
General government support	17,500	14,400	14,307	93
Transportation	2,778,956	3,109,803	3,198,204	(88,401)
Employee benefits	1,386,975	1,160,425	1,151,395	9,030
Debt service	<u>452,951</u>	<u>449,551</u>	<u>449,542</u>	<u>9</u>
Total expenditures	<u>4,636,382</u>	<u>4,734,179</u>	<u>4,813,448</u>	<u>(79,269)</u>
Other Financing Uses				
Operating transfers	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Appropriated fund balance	<u>137,700</u>	<u>139,797</u>	<u>-</u>	<u>(139,797)</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191,109)</u>	<u>\$ (191,109)</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real property taxes	\$ 789,867	\$ 789,867	\$ 789,829	\$ (38)
Departmental income	1,149,100	1,149,100	1,451,103	302,003
Use of money and property	220,315	220,315	234,232	13,917
Sale of property and compensation for loss	2,250	2,250	7,044	4,794
Miscellaneous local sources	-	-	111	111
Total revenues	<u>2,161,532</u>	<u>2,161,532</u>	<u>2,482,319</u>	<u>320,787</u>
Expenditures				
General government support	4,000	4,000	1,771	2,229
Home and community services	1,811,040	2,190,428	1,763,858	426,570
Employee benefits	392,414	392,414	271,964	120,450
Debt service	<u>149,728</u>	<u>149,728</u>	<u>144,953</u>	<u>4,775</u>
Total expenditures	<u>2,357,182</u>	<u>2,736,570</u>	<u>2,182,546</u>	<u>554,024</u>
Other Financing Uses				
Operating transfers	<u>(319,350)</u>	<u>(827,849)</u>	<u>(677,849)</u>	<u>150,000</u>
Appropriated fund balance	<u>515,000</u>	<u>1,402,887</u>	<u>-</u>	<u>(1,402,887)</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (378,076)</u>	<u>\$ (378,076)</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Real property taxes	\$ 1,316,771	\$ 1,316,771	\$ 1,316,790	\$ 19
Departmental income	283,690	283,690	455,182	171,492
Use of money and property	38,061	38,061	10,816	(27,245)
Licenses and permits	500	500	300	(200)
Sale of property and compensation for loss	45,400	45,400	5,724	(39,676)
Miscellaneous local sources	<u>4,000</u>	<u>4,000</u>	<u>21,988</u>	<u>17,988</u>
Total revenues	<u>1,688,422</u>	<u>1,688,422</u>	<u>1,810,800</u>	<u>122,378</u>
Expenditures				
General government support	43,000	27,133	27,133	-
Home and community services	1,046,837	807,070	794,237	12,833
Employee benefits	243,155	230,480	206,763	23,717
Debt service	<u>450,410</u>	<u>426,187</u>	<u>439,527</u>	<u>(13,340)</u>
Total expenditures	<u>1,783,402</u>	<u>1,490,870</u>	<u>1,467,660</u>	<u>23,210</u>
Other Financing Uses				
Operating transfers	<u>(111,020)</u>	<u>(213,246)</u>	<u>(213,246)</u>	<u>-</u>
Appropriated fund balance	<u>206,000</u>	<u>15,694</u>	<u>-</u>	<u>(15,694)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,894</u>	<u>\$ 129,894</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Rotterdam, New York (the “Town”), is governed by its Town Charter, other general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council members, all elected. The Town Supervisor serves as the chief executive officer and chief fiscal officer. The Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance and other general services.

The Town of Rotterdam, New York has prepared its all fund types and non-current governmental liabilities account group financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

The Town does not comply with GASB Statement No. 34, which requires the Town to present the government-wide financial statements on a full accrual government-wide basis as well as the fund basis. The financial statements present only all fund types and the non-current governmental liabilities account group, and do not purport to, and do not present fairly the government-wide financial position or changes in financial position of the Town.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying governmental funds financial statements follows.

A. Financial Reporting Entity

GASB Statement No. 61 defines the financial reporting entity for the Town to include all funds, account groups, agencies, boards, commissions, and authorities where the elected officials (the Supervisor and/or the Town Board, respectively) are financially accountable. The following terms are used to describe the components of a reporting entity:

- Primary Government

A legally separate state, general purpose local or special purpose government with a separately elected governing body. It must be fiscally independent of other primary governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

- Component Unit

A legally separate organization for which the elected officials are financially accountable. Also the primary government is able to impose its will on the component unit or there is a potential for the component unit to provide a financial benefit or incur a financial burden on the primary government. The Town has no component units.

B. Basis of Presentation

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types and account groups are used.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Town's governmental fund types:

- a. General Fund - The general fund is the principal fund and includes all operations not required to be recorded in other funds.
- b. Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds are:

- Highway
- Water
- Sewer
- Drainage
- Fire Protection
- Lighting
- Special Grant

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Governmental Fund Types (Continued)

- c. Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- d. Fiduciary Funds

Agency Fund - Used to account for money and/or property received and held in the capacity of trustee, custodian or agent.

- e. Account Groups

Used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not “funds.” They are concerned with measurement of financial position and not results of operations.

- 1. The Non-Current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings and equipment utilized for general government purposes. The Town does not maintain subsidiary records to support the amounts recorded in the non-current governmental assets account group.
 - 2. The Non-Current Governmental Liabilities Account Group - used to account for all long-term obligations.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus. Measurement focus is the determination of what should be measured.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period.

Material revenues that are accrued include state and federal aid and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made unless it is not anticipated to be received within one year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Expenditures are recorded when the fund liability is incurred except that:

- a. Principal and interest on indebtedness are recognized as an expenditure when due.
- b. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
- c. Inventory is valued at cost utilizing the first-in, first-out method.

D. Property Taxes and Collections

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1, and become a lien on January 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 Town.

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 Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except for the Special Grant Fund.
- b. After public hearings are conducted to obtain taxpayer comments, but 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 comptroller is authorized to transfer certain budget amounts within the departments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Data (Continued)

2. Encumbrances

Encumbrances are reservations of fund balance for outstanding purchase commitments. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting

- a. Except as indicated below, 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 years.
- b. Budgetary controls for the Special Grant Fund are established in accordance with applicable grant agreements which covers a period other than the Town's fiscal year.

F. Departure from the Basis of Accounting

The Town does not maintain subsidiary records to support the amounts recorded in the general fixed assets account group for land, buildings and improvements. The correct carrying values of these fixed assets at December 31, 2019 is not known.

G. Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code §457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. *Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates. Significant estimates include compensated absences, postemployment benefits and pension liabilities.

I. *Self-Insurance*

The Town has retained a portion of the liability to cover losses under §207-C of the Workers' Compensation Law of police officers. Officers are entitled to their full pay when out on leave. The Town is required to cover any amount of losses not reimbursed by Workers' Compensation.

J. *Compensated Absences*

Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation and related benefits has been recorded in the respective governmental fund type in accordance with GASB 16. Payment of accumulated sick leave and related benefits is reflected in the non-current government liabilities account group since it is anticipated that none of the liability will be liquidated with expendable financial resources. However, management believes that sufficient resources will be made available for payment of accumulated sick leave and related benefits when such payments become due.

K. *Postemployment Health Insurance Benefits*

In addition to providing pension benefits, the Town provides certain health benefits for retired employees, their spouses and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age. Those and similar benefits for active employees are provided through payments to New York State Government Employees' Health Insurance Program. The Town recognizes the cost of providing those benefits by expensing the annual insurance premiums which were approximately \$1,631,000 in 2019 for approximately 143 retirees.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Expenditures for economic assistance and opportunity and home and community services in the general fund exceeded appropriations by \$140,030 and \$42,838, respectively, and for transportation exceeded appropriations by \$88,401 resulting from expenditures being made without budgetary authorizations.

The Capital Project Fund has a deficit totaling \$3,844,734 at December 31, 2019. This deficit is caused by allowing contracts for projects funded with Bond Anticipation Notes. The deficit will be eliminated when serial bonds are issued.

3. CASH AND INVESTMENTS

The Town's investment policies are governed by state statutes. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The comptroller is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation and repurchase agreements with certain restrictions.

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of any state and its municipalities and school districts.

During 2019, cash and investments were either insured by Federal Depository Insurance or collateralized by assets of the Town's agent in the Town's name.

4. CASH RESTRICTED

Cash restricted consists of the following:

General Fund

Assigned for Tax Certiorari	\$ 110,284
Parkland Deposits	179,570
Employee Benefit Reserve	134,291
Asset Forfeiture Reserve	45,572
Capital Reserve	221,025
Reserve for Repairs	702,629
	<u>\$ 1,393,371</u>

Highway Fund

Assigned for Tax Certiorari	59,381
Reserve for Repairs	650,673
	<u>\$ 710,054</u>

Water Fund

Reserve for Repairs	<u>\$ 1,308,833</u>
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Sewer Fund

Reserve for Repairs	<u>\$ 198,015</u>
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5. BOND ANTICIPATION NOTES

Liabilities for bond anticipation notes (BANs) issued for capital projects that are one year in duration are accounted for in the Capital Projects Fund.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. The changes in the Town's BANs outstanding during the year were as follows:

BANs Outstanding January 1, 2019	\$ 7,878,440
Repayments	<u>(2,297,060)</u>
BANs Outstanding December 31, 2019	<u>\$ 5,581,380</u>

BANs outstanding at December 31, 2019 were as follows:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>
Helderberg/Highbridge Sewers	11/14/20	2.59%	\$ 155,000
Emergency Sewer Repairs	03/05/20	1.97%	180,000
Emergency Sewer Repairs	09/29/20	2.57%	105,080
Hamburg Street Sewer	06/20/20	2.53%	3,750,300
Highway Equipment	10/22/20	2.44%	576,000
Sewer Treatment Plant Upgrades	02/05/20	1.68%	475,000
Wall Water Project	09/29/20	2.57%	<u>340,000</u>
			<u>\$ 5,581,380</u>

6. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflows of resources is reduced and revenue is recognized.

Deferred inflows consist of the following:

Sewer Fund - Sewer Rents not available	<u>\$ 51,921</u>
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7. LONG-TERM INDEBTEDNESS

The changes in the Town's long-term indebtedness during the year are summarized as follows:

	Payable at January 1, 2019	Additions	Decreases	Payable at December 31, 2019
Landfill Postclosure Costs	\$ 130,270	\$ 6,224	\$ -	\$ 136,494
Bonds	3,595,000	2,410,500	(525,000)	5,480,500
Compensated Absences	2,544,216	85,524	-	2,629,740
Postemployment Benefits	52,176,177	16,353,415	-	68,529,592
Net Pension Liability	1,779,644	1,588,130	-	3,367,774
Total	<u>\$ 60,225,307</u>	<u>\$ 20,443,793</u>	<u>\$ (525,000)</u>	<u>\$ 80,144,100</u>

A. *Claims and Judgments*

There were several tax review cases pending against the Town for a reduction in the assessed value of property. The petitions were for taxes collected in 2005 through 2018. The Town believes that the likelihood of a reduction is remote and therefore no provision for loss has been recorded in the non-current governmental liabilities account group at December 31, 2019.

B. *Landfill Postclosure Costs*

The Town entered into an Order of Consent with the New York State Department of Environmental Conservation (DEC) on April 17, 1990 for the purpose of ensuring the proper maintenance and future closure of the Town's landfill. The order includes specific requirements and deadlines for the Town to follow and meet or they could be subject to penalties. The status of compliance with the consent order is subject to review by the Department of Environmental Conservation. The Town has been served with a number of additional consent orders in 1996, 1997 and 1998.

The closure of the landfill was substantially completed in 1995. The remaining cost of the required maintenance, closure and postclosure monitoring costs of the landfill is estimated to be \$136,494 at December 31, 2019. The Town has recorded this estimate in the non-current governmental liabilities account group.

7. LONG-TERM INDEBTEDNESS (CONTINUED)

C. Bonds

The following is a summary and description of the serial bonds outstanding at December 31, 2019:

<u>Description</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at December 31, 2019</u>
Tax Certiorari	08/15/02	\$ 3,250,000	08/15/22	4.0%	\$ 675,000
Water Drainage	11/05/03	\$ 442,585	11/05/32	0%	195,000
General Improvement	05/15/09	\$ 2,327,000	05/15/22	3.33%	500,000
Water Tank	10/15/09	\$ 1,400,000	10/15/29	3.766%	820,690
Drainage	10/15/09	\$ 1,500,000	10/15/29	3.766%	879,310
Drinking Water Facility *	07/19/18	\$ 2,100,000	07/19/23	1.67%	-
General Public Improvement	11/13/19	\$ 2,410,500	11/01/20-11/01/49	2.625%-2.750%	2,410,500
					<u>\$ 5,480,500</u>

* EFC Bond was issued, with no drawdowns at December 31, 2019.

The following is a summary of maturity of debt service requirements for general obligation bonds:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 590,500	\$ 116,020
2021	610,000	93,945
2022	635,000	70,895
2023	235,000	50,250
2024	240,000	43,850
2025-2029	1,310,000	115,450
2030-2032	1,860,000	-
	<u>\$ 5,480,500</u>	<u>\$ 490,410</u>

D. Compensated Absences

Town employees are granted vacation, holiday, 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, holiday (police only), sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Payment of accumulated and unused vacation, holiday, sick leave and compensatory absences recorded in the non-current governmental liabilities account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation, holiday, sick leave and compensatory absences when such amounts become due.

7. LONG-TERM INDEBTEDNESS (CONTINUED)

D. *Compensated Absences (Continued)*

The Town recognizes a liability for vacation, holiday and compensatory absences and additional salary-related payments as the benefits are earned by the employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes vacation, holiday and compensatory absences that were earned but not used during the current or prior periods and of which employees can receive compensation in a future period.

In addition, the Town recognizes a liability for vesting sick leave and additional salary-related payments as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments, rather than be taken as absences due to illness or other contingencies for employees who, at the balance sheet date, currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

E. *Postemployment Benefits*

Plan Description

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

Benefits Provided

The Town provides postemployment healthcare benefits for certain eligible retirees.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	122
Active employees	<u>121</u>
Total participants covered by OPEB Plan	<u><u>243</u></u>

7. LONG-TERM INDEBTEDNESS (CONTINUED)

E. Postemployment Benefits (Continued)

Total OPEB Liability

The Town's total OPEB liability of \$68,529,592 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Discount Rate	2.74%
Healthcare Cost Trend Rates	5.4% for 2019 to 3.84% in 2075
Salary Increases	Vary by year of service

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2019.

Mortality rates were based on the April 1, 2010 - March 31, 2015 New York State Employees Retirement System expense with adjustments for mortality improvements based in Society for Actuaries Scale MP-2014.

Changes in the Total OPEB Liability

OPEB Liability Beginning of Year	\$ 52,176,177
Changes for the Year:	
Service Cost	1,540,993
Interest	2,174,264
Assumption Changes and Differences	14,285,460
Benefit Payments	<u>(1,647,302)</u>
OPEB Liability End of Year	<u>\$ 68,529,592</u>

7. LONG-TERM INDEBTEDNESS (CONTINUED)

E. Postemployment Benefits (Continued)

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

The following presents the Town's total OPEB Liability calculated using a discount rate of 2.74%, as well as what the Town's total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>2.74% Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 57,634,460</u>	<u>\$ 68,529,592</u>	<u>\$ 82,684,174</u>

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

The following presents the Town's total OPEB Liability calculated using a healthcare cost trend rate of 5.4%, as well as what the Town's total OPEB Liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Healthcare Cost Trend Rate</u>		
	<u>1% Decrease</u>	<u>5.4% Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 55,663,933</u>	<u>\$ 68,529,592</u>	<u>\$ 85,724,884</u>

OPEB Expense

For the year ended December 31, 2019, the Town recognized an OPEB expense as follows:

	<u>2019</u>
Service Cost	\$ 1,540,993
Interest	2,174,264
Changes of Assumptions or Other Inputs	<u>1,350,225</u>
Net OPEB Expense	<u>\$ 5,065,482</u>

7. LONG-TERM INDEBTEDNESS (CONTINUED)

E. Postemployment Benefits (Continued)

At December 31, 2019, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions and other inputs	\$ <u>11,904,550</u>	\$ <u>(4,122,742)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

December 31, 2020	\$ 1,350,225
December 31, 2021	1,350,225
December 31, 2022	1,350,225
December 31, 2023	1,350,223
December 31, 2024	<u>2,380,910</u>
	\$ <u>7,781,808</u>

8. PENSION PLAN

General Information

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and New York State and Local Police and Fire Retirement System ("PFRS"). The Systems are cost sharing multiple-employer, public employee retirement systems. The Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description and Benefits Provided

The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the Systems. The Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the Systems. System benefits are established under provisions of the New York State Retirement and Social Security Laws ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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 System, 110 State Street, Albany, NY 12244.

8. PENSION PLAN

Plan Description and Benefits Provided (Continued)

The Systems are noncontributory except for ERS employees who joined the System after July 27, 1976 who contribute 3% of their salary, for the first ten years of membership and employees who joined on or after January 1, 2010 who generally must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>PFRS</u>
March 31, 2020	\$ 601,685	\$ 1,013,994
March 31, 2019	\$ 612,901	\$ 983,254
March 31, 2018	\$ 573,331	\$ 974,735

Chapter 260 of the laws of 2014 of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2013 and forward.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The Town has not bonded or amortized any portion of their retirement obligations.

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

At December 31, 2019, the Town reported a liability of \$1,075,198 for ERS and \$2,292,576 for PFRS for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2019, the Town's proportion was .0152% percent ERS and .1367% PFRS.

8. PENSION PLAN (CONTINUED)

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

At December 31, 2019, the Town reported deferred outflows and 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	\$ 768,659	\$ (316,946)
Changes in assumptions	1,103,215	-
Net difference between projected and actual earnings on pension plan investments	-	(735,102)
Changes in proportion	173,295	(560,063)
Contributions subsequent to the measurement date	<u>1,211,759</u>	<u>-</u>
	<u>\$ 3,256,928</u>	<u>\$ (1,612,111)</u>

The net amount of the employer's balances of deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ 1,757,848
2021	(410,816)
2022	(84,497)
2023	356,580
2024	<u>25,702</u>
	<u>\$ 1,644,817</u>

ERS Actuarial Assumptions

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

	<u>ERS</u>	<u>PFRS</u>
Interest rate	7.0%	7.0%
Salary increase	3.8%	4.5%
Inflation rate	2.5%	2.5%
Cost of living adjustment	1.3%	1.3%

8. PENSION PLAN (CONTINUED)

ERS Actuarial Assumptions (Continued)

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, 2015 valuation are based on the results of an actuarial experience study for the period August 1, 2010 - March 31, 2015.

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.55%
International equity	6.35%
Private equity	7.75%
Real estate	5.80%
Absolute return strategies	4.00%
Opportunistic portfolio	5.89%
Real assets	5.54%
Bonds and mortgages	1.31%
Cash	(.25%)
Inflation-indexed bonds	1.50%

Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. PENSION PLAN (CONTINUED)

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

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

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1%</u> <u>Increase</u>
<u>ERS</u>			
Town's proportionate share of the net pension asset (liability)	\$ 4,700,936	\$ (1,075,198)	\$ (1,970,680)

<u>PFRS</u>			
Town's proportionate share of the net pension asset (liability)	\$ 8,285,027	\$ (2,292,576)	\$ (2,711,816)

Pension Plan Fiduciary Net Position

The components of the net pension liability of the fiduciary as of March 31, 2019 was as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>
Fiduciary total pension liability	\$ (189,803,429)	\$ (34,128,100)
Fiduciary net position	182,718,124	32,451,037
Fiduciary net pension liability	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
Ratio of fiduciary net position to the fiduciary total pension liability	<u>96.27%</u>	<u>95.09%</u>

9. FUND BALANCE

The Town implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB 54 defines five categories of fund balances as follows:

1. **Nonspendable** fund balance 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's nonspendable fund balance consists of inventories and prepaid expenses at December 31, 2019.

9. FUND BALANCE (CONTINUED)

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

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Capital Reserve	\$ 221,025	\$ -	\$ -	\$ -
Parkland Deposits	179,570	-	-	-
Employee Benefit Reserve	134,291	-	-	-
Assets Forfeiture Reserve	45,572	-	-	-
Repair Reserve	702,629	650,673	1,308,833	198,015
	<u>\$ 1,283,087</u>	<u>\$ 650,673</u>	<u>\$ 1,308,833</u>	<u>\$ 198,015</u>

The reserve for employee benefits consists of the funded portion of the estimated police retirement payments to be made. Of the total salary and benefit estimate of \$561,920, \$134,291 has been restricted and \$427,629 has been assigned.

3. **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board. The Town had no committed fund balances at December 31, 2019.
3. **Assigned** fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the Town for ensuing year's budget. Assigned fund balance includes the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Assigned for Encumbrances	\$ 306,697	\$ -	\$ 32,309	\$ 1,589
Assigned for Tax Certiorari	110,284	59,381	-	-
Assigned for Employee Benefits	427,629	-	-	-
Assigned for Ensuing Year's Budget	1,846,000	139,600	105,000	55,000
Assigned for Special Revenue	-	892,880	1,561,794	1,727,360
Total	<u>\$ 2,690,610</u>	<u>\$ 1,091,861</u>	<u>\$ 1,699,103</u>	<u>\$ 1,783,949</u>

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

The Town Board determines whether restricted, committed, assigned or unassigned amounts are considered to have been spent first when resources are available from multiple constraint levels. The default policy is that resources are spent first from the highest constraint level.

10. TAX ABATEMENT

The Town enters into Payment in Lieu of Taxes (“PILOTS”) agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency (“IDA”) agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amount lesser than would have been collected for real estate taxes for a number of years.

For the year ended December 31, 2019, the Town recognized \$1,065,892 in PILOT revenue under PILOT agreements. Abated property taxes amounted to approximately \$451,000 under this program.

11. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 90,000	\$ -	\$ 359,671	\$ 661,000
Highway	-	-	-	60,000
Water	-	-	-	677,849
Sewer	-	-	-	213,246
Drainage	-	-	-	750
Fire Protection	-	-	-	1,000
Lighting	-	-	-	3,000
Capital Projects	-	90,000	1,257,174	-
Total	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 1,616,845</u>	<u>\$ 1,616,845</u>

12. COMMITMENTS AND CONTINGENCIES

Litigation

Several claims against the Town are presently pending for various reasons including condemnation and personal injuries. Although the final outcome of these matters cannot be predicted, management of the Town, based on the advice of the Town’s legal counsel, does not believe that the final settlement of these matters will have a material adverse effect on the financial condition of the Town.

Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town’s financial position or results of operations.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Environmental Concerns

The Town is engaged in many activities (e.g., water and sewer service, refuse collection, gasoline storage), in the normal course of operations, that are potentially hazardous to the environment. As of December 31, 2019, the Town is not aware of any significant environmental problems that should be disclosed in the Financial statements.

Union Contracts

Police and general city employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
C.S.E.A., Local 1000	December 31, 2020
Rotterdam Patrolmen's Benevolent Association	December 31, 2020

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through November 4, 2020, the date the financial statements were available to be issued. The following subsequent event has been noted by management:

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